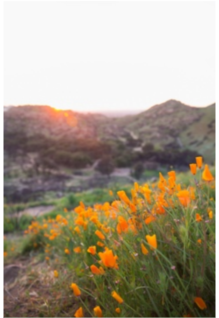

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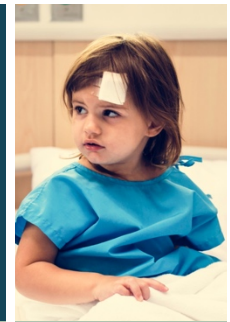
SETTLEMENTS GROUP



Structured Settlements for Cases Involving Minors

Protecting a child's recovery until they're ready to use it

When a settlement involves a minor, courts typically require the money to be protected until the child reaches adulthood. Left as a lump sum, those funds often sit in a low-interest blocked account, or worse, get handed to the newly-turned-18-year-old all at once. A structured settlement offers a court-favored alternative: the defendant or insurer's payment is used to fund future payments over time, on a schedule designed around the child's real future needs.

HOW A STRUCTURED SETTLEMENT HELPS

- Guaranteed, income-tax-free payments (IRC §104(a)(2)) that cannot be invaded early or lost to bad investment decisions
- Payment dates can be tied to real milestones (e.g., adult starter funds, college years, age 25, age 30) instead of one lump sum on the 18th birthday
- Removes the burden and liability of a parent or guardian having to invest and manage a large sum on the child's behalf
- Courts and guardians ad litem generally favor structures because they show the funds will benefit the child in stages, not just once
- Eliminates the need for ongoing blocked-account administration or conservatorship accounting

Example

$250,000 net settlement for a 10-year-old. Rather than one payment at 18, the structure pays $60,000 per year for five years beginning at 18 (education or starter funds), $50,000 at 25, and $125,000 at 30 – $475,000 total tax-free payments, supporting the young adult at key stages.

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