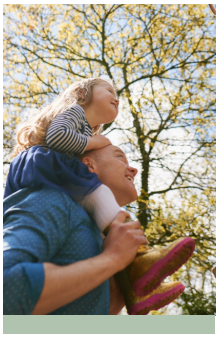


Blonder/Cantwell

SETTLEMENTS GROUP



Structured Settlements, Explained

Guaranteed payments, designed around real needs

When negotiating a settlement, the design of the resolution matters as much as the number. A structured settlement uses part of a settlement to fund guaranteed periodic payments – typically through an annuity from a highly rated life insurer – on a schedule built around real needs, creating security and certainty while improving the economics of settlement for everyone involved.

HOW A STRUCTURED SETTLEMENT HELPS

- Payments from physical injury structured settlements are fully exempt from federal and state income tax under IRC §104 – including the growth
- Payments from non-physical injury structured settlements are generally taxed as the payments are received in the future (deferred taxation)
- Payment schedules can be tailored to real needs – ongoing medical costs, income replacement, future education expenses, long-term care
- Guaranteed payments provide security an all-cash settlement rarely delivers, so no one is left to manage a windfall alone or under the influence of bad advice
- Guaranteed future value gives attorneys, defendants, insurers, and claims professionals a tool to meet needs and bridge gaps that might otherwise send a case to trial
- Works across claim types and coordinates with Medicare, Medicaid, and other benefits

Example

$1,000,000 net personal injury settlement for a 40-year-old. Rather than one lump sum, $250,000 is paid in cash for immediate needs, and $750,000 funds $3,500 per month for 30 years plus $100,000 at years 10 and 20 – $1,710,000 in total tax-free payments, including the cash.

Contact us for more information **www.blondercantwell.com** | **888-920-6484**

For educational purposes only. This overview does not constitute legal, tax, or financial advice. Consult a structured settlement consultant and the applicable legal/tax advisors regarding any specific case.