

Your retirement savings: Is it enough?

- 80 percent of workers aged 25 to 64 either have no retirement savings or have saved less than \$33,000.
Source: U.S. Census Bureau
- Between 2000 and 2003, annual family healthcare premiums paid by employees increased nearly 49 percent.
Source: Kaiser Family Foundation
- 54 percent of Americans say they are either "very worried" or "somewhat worried" about having enough money for retirement. That is the highest percentage of "worry" responses among seven items surveyed – including paying medical costs, maintaining current standard of living, and paying credit card bills.
Source: Gallup survey
- Only 13 percent of female retirees are covered by a pension.
Source: Women's Institute for a Secure Retirement
- By 2030, there will be an annual shortfall of at least \$45 billion between the amount retired Americans need for basic expenses and what they have saved.
Source: Employee Benefit Research Institute

A structured settlement will help:

- Regular payments tailored for your specific needs
- Payments free from federal & state income tax
- Option of payments guaranteed for your and your spouse's life
- Payments will not affect Social Security benefits from past work
- Probate can be avoided



**PREMIER
SETTLEMENT
SERVICES, INC.**

Plaintiff Only Structured Settlements

888-708-1100
www.plaintiffbroker.com



National Structured
Settlements Trade
Association

www.StructuredSettlement.info



Structured Settlements

*Security and Stability
For Your Retirement*

I'm 55 and just been injured. Why should I consider a structured settlement?

For persons nearing retirement, financial security is an urgent issue. If you have been injured, or lost your spouse in a wrongful death case, your retirement may not be as financially secure as you had planned. That's why a structured settlement is an excellent choice. A structured settlement is a voluntary option allowing you to receive a long-term stream of payments tailored to your specific needs. These payments are completely free from federal and state income taxes. Moreover, you have the peace of mind that your payments are guaranteed to arrive – on time and in full.

Why should I believe that my payments will arrive "on time and in full"?

A 1983 federal law requires a high standard of security for the funding of your payments. Today, your structured settlement will be funded by either a life insurance company annuity or U.S. Treasury obligations. These are two of the safest funding sources available.

If I want to safeguard my money, why not put it in a trust?

Federal law makes structured settlements preferable to trusts. Trust income is subject to federal and state income taxes. By contrast, structured settlement payments are entirely exempt from federal and state income taxes. Moreover, with trusts, you'll have to pay ongoing management fees and carefully monitor the investments. With structured settlements, there are no ongoing management fees and the growth of your money is guaranteed.

But I don't need the payments right now.

That's fine. With a structured settlement, you can decide when you want the payments to begin: one year, ten years or more in the future. The longer you defer, the larger your final tax-free payment stream will be. By contrast, if you take a lump-sum payment, all earnings on that lump sum are subject to taxes, even if you don't use it until retirement.

I'm concerned about the growing cost of long-term care. Can a structured settlement help?

According to AARP, one of the public's biggest misperceptions about retirement is that Medicare covers long-term nursing home care. It does not. And, says AARP, the average monthly cost of a nursing home is \$4,654. A structured settlement is ideal for funding this type of regular expense.

RETIREMENT SECURITY WITH A STRUCTURED SETTLEMENT

A 55-year-old man is injured in an auto accident. His wife is 53. The couple's attorney negotiates a \$250,000 settlement that the couple uses for their retirement when the husband turns 65. The couple considers two secure investments: corporate bonds and a structured settlement. Compare the dramatic difference in after-tax returns. The structured settlement provides a 65% higher return than corporate bonds - and is more secure too!



- > Assumes husband-wife joint life expectancy of 37 years (based on 1983 IAM mortality table). \$250,000 guarantees \$2,700/month structured settlement payments starting when husband turns 65. Payments guaranteed for as long as either spouse is alive.
- > Bond return assumes a 5.6% rate, 27% federal tax rate and 5% state rate with \$2700 paid out monthly when husband turns 65. Total settlement will be gone approximately 15 years after retirement.

In my state, estates must first pass through probate. How do probate courts view structured settlements?

Your payments will bypass state probate courts if you have designated specific people, such as your children, rather than your estate as the beneficiary of your payments. So there will be no delays on payments going to your beneficiaries.

I'm concerned about my spouse's financial security. Can a structured settlement help?

Absolutely. With a structured settlement, you not only have the option of payments that continue for the rest of your life, you can also continue payments for the rest of your spouse's life too. These payments will be free from federal and state income taxes, just like yours. While the value of the remaining payments will be included in your estate for estate tax purposes, federal law provides for tax-free transfers between spouses as well as a significant estate tax exemption. In addition, you may also establish a "minimum guarantee" period during which payments are committed even if you and your spouse become deceased.

"You can choose payments guaranteed to continue not only for the rest of your life, but also the rest of your spouse's life."

Let's say I choose life payments for me and my spouse, with a minimum guarantee of 20 years. What happens to the money if we don't live that long?

You may select one or more beneficiaries to receive the remaining guaranteed payments under the schedule laid out in your settlement. Your beneficiaries will pay no income taxes on these payments and you have the right to change beneficiaries after the settlement. Alternatively, the settlement can include a "commutation" clause that upon your death pays a lump sum to your chosen beneficiaries based on the value of the unused payments.

Will receiving payments from a structured settlement affect my eligibility for Social Security benefits for past employment?

No! Between ages 62 and 70, your eligibility for Social Security benefits from past employment may be affected by some outside income, such as a job. Structured settlement payments do not count when determining your eligibility or the amount of such Social Security benefits.