

Structured Settlements: Reducing financial risk in your middle years



“After my husband died in an accident, I spent a long time researching how to protect my family’s financial future, particularly when I’d need it most — my children’s college years. I chose a structured settlement because I could set up payments to pay those extra bills during their college years. **That plan has worked beautifully. With my structured annuity, I could support them throughout college and give them the education they need.** I’m proud of their success and thrilled to know their futures are bright. That’s the legacy I’ll remember most from my structured settlement.”

— Joan Blanchard

Structured settlement beneficiary, Syracuse, NY

In middle age, financial concerns often expand to include a spouse, children and possibly aging parents. At this stage, some might be “climbing the corporate ladder” but given current economic difficulties, most people are struggling just to survive.

For parents, the prospect of their children’s huge college tuition bills is a serious concern. [The average cost of tuition, room and board](#) for in-state residents attending a public four-year college is \$17,131. For private colleges, the average cost is [\\$38,589](#).

Longer term, those in their 40s and 50s begin to focus on retirement — and increasingly whether they will ever have enough money for retirement.

Since most insurance claims do not involve disabling catastrophic injuries, you and your spouse may be able to continue earning a living for years. If so, you might choose to defer structured settlement payments for years or even into retirement to take advantage of federal tax benefits. The longer you defer, the larger your final payment stream will be.

For example, you could schedule larger annual payments to coincide with college tuition, letting years of tax-free growth increase the size of these payments. Alternately,

depending on the size of your settlement, you could opt for monthly payments to boost your current income.

You could also structure initial payments to cover lost income from the forced change in your career. This can maintain a secure income stream during retraining or a job search.

The key is that with so many future variables in your life and with defined family responsibilities, you need both a guaranteed financial base and timely larger payments to meet unpredictable needs. A thoughtfully planned structured settlement can give you both.

Structured settlement payments are:

- Protected against reductions due to interest rate changes
- Backed by highly secure “investment grade” assets
- Funded by a secure annuity regulated by officials in all 50 states
- Able to be delayed for years with tax-free benefits.