

# STRUCTURED SETTLEMENTS

*Injuries and catastrophic events are often traumatic and destabilizing, leaving the victim with extraordinary needs. When your client is faced with a life-altering event, AVITAS, positioned to lead and dedicated exclusively to high-quality structured settlement services, is available to help you and your client tailor a financial plan to meet your client's needs for income, medical care, education, retirement and other future needs.*

## What is a Structured Settlement?

A structured settlement is a voluntary agreement reached between an injured party and the defendant under which the plaintiff/claimant receives compensation in a stream of guaranteed, tax-free periodic payments. Such an arrangement may be agreed to privately, as in a pre-trial settlement, or it may be required by a court order, as in a settlement or judgment involving a minor. Congress created structured settlements because of the risks and disadvantages with selecting a lump sum payment. The specific tax rules of a structured settlement are governed by Section 104(a) and Section 130 of the Internal Revenue Code. Structured settlement payments are paid to the claimant through a structured settlement annuity which is issued by a life insurance carrier.

## Benefits to Structuring a Personal Physical Injury Settlement

- The full amount of the damage payment(s) is tax-free, exempt from federal and state income taxes under 104 (a) of the IRS codes.
- The injured party receives compensation when needed as determined at the time of the settlement.
- The claimant receives payments from two of the safest investments available—life insurance company annuities and U.S. Treasuries.

## Types of Cases Ideally Suited for Structured Settlements

- Temporarily or permanently disabled plaintiffs or claimants
- Guardianship cases, including minors or incompetents
- Wrongful death cases where the surviving spouse and/or children need monthly or annual income
- Severe injury—especially with long-term needs for medical care, living expenses and support of family
- Workers' compensation disability and fatality claims

*There are no fees paid to AVITAS. We are happy to work with you to discover if our solutions can help.*

**Call us today!** (866) 670-9288

SETTLE FOR THE BEST

# AVITAS

[www.avitas.structures.com](http://www.avitas.structures.com)

**BRINGING THE LEGAL AND FINANCIAL EXPERTISE THAT YOU DEMAND**

Once a settlement agreement is reached, it is irrevocable. As every individual and case is unique, a structured settlement is not right for everyone. Therefore, it is essential to seek the appropriate legal and financial advisement to help analyze settlement proposals in determining the adequacy of a settlement. IRS REQUIRED TAX DISCLOSURE: Information contained herein is not intended or written to be used, and cannot be used, for the purpose of avoiding any tax penalties. This document is written to support the promotion or marketing of the transactions or matters discussed. You should seek advice based on your particular circumstances from an independent tax advisor.