RINGLER ASSOCIATES

FIRST CHOICE

It's to your advantage.

Planning Brief – Giving a child a HEAD START in LIFE

When does one reach the age of financial maturity? There is no absolute answer. One thing is clear however- that it might not be 18 - the age at which settlement funds will normally pass into the hands of a minor receiving a settlement – with NO restrictions.

Structured settlements allow parents or court-appointed guardians to create a plan of distribution for a minor's settlement. Creating the right plan depends on several factors:

- Special needs
- The amount of money available
- Goals for the future (college, technical school, buying a house, etc.)

If there is a lifetime need (replacing or supplementing income, medical care or supplies, etc.), and there are sufficient resources – consider a guaranteed stream of lifetime income.

For specific needs or goals, identify dates or ages when money would be well spent (tuition expenses, down payments for real estate, etc.)

Consider releasing money in multiple payments. This will allow a young adult to gain some experience. If mistakes are made, they are made with only a portion of the settlement. Time the payments to ages when good decisions are more likely, and will make a real difference in their future.

Things to keep in mind:

Probate Accounting:	Minors' settlement funds generally have to be accounted for with the court annually. A structured settlement may eliminate this requirement.
Outside influences:	What outside influences could affect your child's decision-making in the future? Sending money ahead in their lives will probably not hurt them, it may greatly help them.
Too much, too soon:	Unless a disability causes a loss of income, be careful with making excess dollars available before a young adult learns to be self- supporting.
Guarantees:	Most courts require settlement funds for a minor to be invested in conservative financial vehicles. Structured Settlements are guaranteed by a major U.S. life insurance company, and provide the added benefit of being tax-free.