

# SETTLING A MINOR'S CASE?

We are here to help.

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COMPREHENSIVE  
SETTLEMENT  
SOLUTIONS

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While requirements for minors' settlement vary by state, discussing future needs and immediate needs help access what option or combination of options will best fit the child's needs.

## Choosing the Right Financial Option

Which financial option, or a combination of options, will be the best approach for the child?  
There are three main options for preserving the minor's settlement proceeds:

### 1. Structured Settlement Annuity:

Since 1983, structured settlements' have been utilized in the United States and considered a safe option. The structure can be tailored to the child's needs.

This is the option favored by most courts. There are no continuing fees or expenses associated with a structured settlement annuity. Unlike other options, any growth of the funds placed in a structured settlement annuity is 100% income-tax free (as is the settlement money itself). Thus, the child receives the most money of all the options. This must be done BEFORE constructive receipt.

### 2. Trust Account:

Laws governing a minor's trusts vary by state, but in general, a trust can be established to meet the child's needs now and past the age of majority. There are fees associated with drafting the trust and paying a trustee, and any interest growth on the account is taxable.

### 3. Guardianship Account:

While a guardianship account is also a safe investment, the money sits in an account drawing little interest. Also, any growth on the funds is subject to taxes and annual accounting fees. The minor usually receives full access to the funds upon reaching the age of majority instead of the timing controlled through the structure or trustee.

A licensed settlement planner at Comprehensive Settlement Solutions can provide a free consultation to access next steps. Contact [Marci@settlewithcss.com](mailto:Marci@settlewithcss.com) or [\(407\) 620-7471](tel:(407)620-7471) to get started.