## Settlement Trust Services

Your client's peace of mind is always on our mind



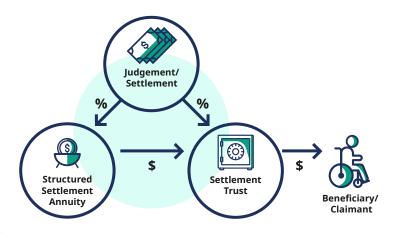


#### SETTLEMENT TRUST

### What is it?

Since a legal settlement is often vital to a claimant's financial security and wellbeing, prudent planning and management is critical. A lump sum payout has the potential to be poorly invested or squandered, jeopardizing the claimant's long-term financial stability. While structured settlements mitigate these risks and have the advantage of being tax exempt unless punitive damages are awarded, a structured payment stream is rigid and unable to adapt to a claimant's changing life circumstances. When designing the optimal settlement plan, a claimant should consider combining the security afforded by a structured settlement annuity with the flexibility of a Settlement Trust.

#### How does it work?



## Settlement Trustee Services

In a Settlement Trust situation, Members Trust
Company partners with all associated parties of the
settlement to ensure a comprehensive understanding
of and agreement on current and future cash
requirements. This analysis helps us ensure that the
amount of money set aside in the trust reflects both
expenses that are a certainty and expenses that could
potentially arise throughout the life of the claimant.

By entrusting the management of settlement proceeds to a corporate trustee and skilled investment professionals, a Settlement Trust:



Protects a claimant from exploitation and spendthrift tendencies while affording controlled liquidity and financial flexibility.



Is versatile, and can be used alone or in combination with a structured settlement annuity. In fact, a Settlement Trust can be designed so that payments from the structured settlement flow into the trust to ensure funds are used in the best interest of the claimant.



Reduces the potential that the claimant will come under pressure to sell a structured settlement at a deep discount in the future to meet unforeseen liquidity needs.

# Types of Settlement Trusts



Members Trust Company helps the parties involved in a legal settlement achieve the maximum financial protection and security for the claimant. Our trust and investment team works with the claimant's tax and legal advisors to ask the right questions and evaluate various options to design a settlement plan that takes into consideration taxation, economic value of settlement options, and the personal circumstances of the claimant. These include:



Health Care Management Plan Tragically, there are a significant number of claimants who have suffered injuries that require long-term intensive health care plans. If this is the case with your client, we work with the trust officer, family members and caregivers to ensure that the claimant receives the optimal care going forward. We can also help coordinate payments for caregivers, reporting income on W-2s or 1099s.





**Special Needs Trust** If the claimant is currently receiving Supplemental Security Income (SSI) or Medicaid support, a Special Needs Trust can protect eligibility for these programs. We make sure that the claimant's use of a special needs trust functions in conjunction with – and not as a replacement for – these important government benefits.



Medicare Set Aside Trust When eligibility for Medicare is at hand, a part of the settlement might need to be allocated to a Medicare Set Aside Trust. This type of trust can be challenging to navigate, and we help decipher the nuances of the trust and keep everything as transparent as possible. Ensuring the claimant has the necessary funds set aside for future medical costs related to the injury is vital, as they can have a compounding effect on the claimant's quality of life.

For every injury that is minor enough to allow for rapid recovery and minimal long-term side effects or consequences, there are others that leave lasting effects in their wake. A settlement trust can ensure that your claimants' money works as hard as possible, for as long as possible.

## There's a Reason Trust is Our Middle Name<sup>™</sup>

Our mission is to help credit union members and private clients protect their hard-earned assets, achieve their financial aspirations and ensure their financial legacy thrives.

Founded in 1987 by America's Credit Unions for credit unions, their members and the general public, Members Trust Company is the first national trust and investment firm providing financial stewardship, investment and trust services with "Main Street" member-centric value and values...even for non-credit union accounts. This means we pick up the phone when you call, we treat you and your family as if you were our own, and that doing the right thing is more than our thing, it's our mandate.

With our Main Street values comes Wall Street expertise...without the ego or exorbitant fees. Our team of investment professionals hold the highest Chartered Financial Analyst® designation and have been continually recognized in the industry as innovators and subject matter experts in trust and investment solutions, big and small.



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