Legal settlements planning

Your resource to understanding your options

RBC Wealth Management

Individual situations and requirements are distinctive, and when facing a legal settlement you have several options to help you achieve your goals, including structured settlements, upfront money management and trusts. When financial decisions arise at the end of a legal settlement, it can affect you into the future and can be a challenge for you to handle on your own. We offer a comprehensive approach to the wealth management process. We will work with you and your attorney to help find a solution that provides for you now and in the future.

What is a structured settlement?

Structured settlements are customized payment streams paid to an injured plaintiff as a result of a legal settlement. These future periodic payments become terms of the settlement negotiated between the defendant and plaintiff, and in some cases involving minors and incapacitated adults are court ordered. The future obligation to make these payments are generally assigned to a highly rated insurance company. They can provide tax-free income for personal injury and wrongful death cases or tax-deferred payments for cases such as wrongful termination, harassment, breach of contract, etc.

Understanding both short- and long-term financial needs requires careful planning to help develop a path toward achieving your goals. We work with your attorney and team of professionals during the pre-settlement planning process to help draft your cash flow needs before a final settlement is reached. Having a plan in place will help avoid additional delays once you have settled your case. Post-settlement planning can then be put into place effectively and efficiently.

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Importance of planning

Financial security begins with a plan

Our goals-based wealth planning approach focuses on what matters most to you. Your advisor works with you to craft a plan that charts a direct route to your goals, yet flexes when life throws you a curve ball. A financial advisor you trust, and a plan you create together, can help you accomplish your financial priorities.

A specialized team to help meet your needs

Planning for a lifetime means more than just the numbers. From the outside, we tend to think of planning in financial terms: How much we need and how we'll spend it. We are focused on your goals beyond finances.

Your RBC Wealth Management financial advisor works with your attorney and tax advisor to provide you proficiency with the aspects of your wealth plan, including the impact of a structured settlement within your plan, asset management strategies, managing the funding and use of trust solutions and understanding estate planning needs.

RBC Wealth Management can be a trusted resource for your legal settlements needs. Whether it be a structured settlement, traditional investments or trusts, we have the capability to offer a solution that best suits you.

Pre-settlement planning

Each settlement is unique and each plaintiff's financial situation can vary. Depending on the case, there could be a number of issues to address prior to finalizing the settlement. Some of those items include:

- Governmental benefits
- Medical coverage
- Home modifications
- Specialized/modified vehicles
- Debt payoff
- Nursing care
- Income needs
- Liquidity needs
- Trust solutions
  - Special needs trusts
  - Settlement protection trusts
  - Corporate trustee

Once we determine these needs, we can build a framework on how the settlement should be allocated and better advise on how much to place into a structured settlement and how much to take in upfront cash, whether it be placed in an investment account or some type of trust.

Structured settlement payments can be customized to fit your individual needs. They can provide an income stream to cover care costs, replace lost income and offer protection from spending down the proceeds needed for long-term needs. Because these payments must be included within the settlement documents and cannot be changed, careful planning is essential to help meet your future needs.

Post-settlement planning

Implementing your plan

Once the case settles, we can begin implementing the plan we developed during the pre-settlement planning process. We can assist you in keeping your investment plan in focus and help you stay adaptable and better equipped to adjust as circumstances change along the way. We provide guidance on maintaining a budget and investing to help you not outlive your money.

Working with your RBC Wealth Management financial advisor and creating an RBC WealthPlan®, you can:

Set a course

Your WealthPlan should reflect what is most important to you and your family. Before we create a plan and offer recommendations, we want to understand your expectations, concerns and goals. We start with meaningful conversations that allow us to get to know you, then assemble a complete financial picture. From there, we tailor a plan to your distinct needs.

Define milestones

Setting goals can help you monitor your progress over time. This involves in-depth conversations to develop a plan that addresses both cash flow needs and liquidity for future care and expenses.

Implement and review

Regularly reviewing your plan can help you stay on track to meeting your financial goals.

Redirect when circumstances change

Life happens so it is important to review and update your plan when unexpected situations arise.

At RBC Wealth Management, we take the time to understand your unique values, concerns and aspirations. Like you, we believe the greatest returns are realized when you grow more than wealth.

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Contact us today to learn more about how a structured settlement may fit into your long-term wealth plan.

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