



milestone

Settlement Planning & Administration



For Attorneys

For Plaintiffs

Our Services for Attorneys & Plaintiffs

Firmwide Qualified Settlement Funds - A firmwide qualified settlement fund enables a law firm to leverage a sophisticated settlement and tax planning solution.

Mass Tort & Class Action QSF Administration - Partnering with Milestone for qualified settlement fund administration ensures the most organized and successful mass tort distribution.

QSF Lead Administration - Law firms optimize the settlement process by hiring Milestone as lead administrator to oversee disbursement, claims administration, lien resolution, and more.

Attorney Fee Deferral - Fee deferral is a financial tool that gives trial lawyers power over their income.

Investment-backed Structure - An investment-backed structure is a next-generation tool for plaintiffs to spread and grow their settlement over time.

Special Needs Trust - With Milestone's guidance, plaintiffs can utilize a special needs trust to get the most from their settlement while keeping eligibility for income-based government benefits.

Domestic Asset Protection Trust - An unexpected financial event can be catastrophic to settlement funds. A domestic asset protection trust ensures your client's financial future remains protected.

Medicare Set Aside - Beneficiaries risk a denial of coverage for future medical expenses if they do not comply with Medicare's rules. A Medicare set aside is one way to avoid compromising their coverage.

Non-Qualified Assignment - An NQA is a periodic payment plan for taxable settlements. Milestone establishes NQAs that reduce clients' tax burden and provide them with long-term financial security.

Uplevel Your Law Practice

Partnering with Milestone's
committed and responsive team
will elevate any trial lawyer's practice.

Milestone is a financial firm

that optimizes settlement dollars for trial lawyers and plaintiffs. Serving all types of injury law firms nationwide, we provide trusted guidance and financial strategies that last a lifetime.

As an expert in settlement planning and administration, we provide services designed to ease the distribution and planning of settlement funds and set trial lawyers and their clients up for a secure financial future. This brochure highlights our areas of expertise, including fee deferral, qualified settlement funds, and plaintiff settlement planning.

“The team at Milestone

*is terrific at what they do. And [they are] an asset. As a firm owner, **having confidence in the Milestone team** has made my job easier and less stressful.”*

Qualified Settlement Fund

When preparing for the endgame, all settlements are best built on the **bedrock of a qualified settlement fund.**

A qualified settlement fund (QSF) is the **emerging standard of care** at settlement, as it affords attorneys, law firms, and plaintiffs extra time to plan after the end of a lawsuit. Defendants pay the agreed-upon settlement amount into the QSF and are released from the lawsuit and post-settlement decisions. While the funds remain in the QSF, plaintiffs can work with a settlement expert. Trial lawyers can strategize around their fees using attorney fee deferral.

Open a firmwide QSF to plan for yearly revenue & long-term growth

A law firm can utilize a firmwide qualified settlement fund with any of its cases to manage revenue and control its finances. By settling cases into a firmwide QSF, partners can receive the amount from their contingency fees that they need upfront for operations, then defer and invest the rest to support long-term growth.

Mass Tort & Class Action QSF Administration

A flexible back office to smooth out the complexities of settlement

In mass tort and class action litigation, you do not have to utilize the assigned lien provider as QSF administrator. Choose Milestone for stronger coordination, communication, and accountability throughout settlement. Our team is an extension of your firm, precisely handling bookkeeping of settlement distribution, fee splits, and other tasks that remove the administrative burden from your team. Our flexibility allows us to meet your firm's individual needs.

Milestone as QSF lead administrator

Managing multiple vendors at settlement is complex and time consuming. As lead administrator, Milestone fits seamlessly into your firm's settlement operations to optimize the entire process. Our team serves handles disbursement while hiring and overseeing all settlement vendors involved.

By including a lead administrator, you receive:

1. Better organized, cost-effective processes at settlement
2. Fiduciary oversight to ensure all vendors are working efficiently
3. Lightening the administrative burden from the law firm
4. Checks and balances for more accountability and transparency

Chart Your Course with Attorney Fee Deferral

Milestone's feeMaster program

Capable trial lawyers choose when their fees are received by themselves or their firm in every settlement. Imagine **possessing the power** to leverage your deferred compensation as an integral part of your overall wealth strategy. Milestone empowers you to build and focus on your personal and professional goals. Deferring through feeMaster allows for:

Unlimited
tax deferral

Professional or self-directed
investment management

Ability to pay
less taxes

Security over
your assets

In 1996, the 11th Circuit affirmed the 1994 Tax Court's ruling in *Childs v. Commissioner* (103 T.C. 634) ruling that: Attorneys involved in tort cases under contingency fee agreements have the unique **opportunity to receive fees in the form of periodic payments**. Attorneys may elect to defer all or a portion of their fees. Fees included in the deferral will not be taxed until the year(s) in which they are received.

Would you rather send \$1 million to the IRS or have it invested in an account that you control?

Strengthen Your Financial Future

A fee deferral is an investment strategy that allows an attorney to decide how and when they receive their fee. It gives an attorney the opportunity to invest and receive their money over time, with **tax advantages and income control**.

Any contingency attorney fee for a physical or non-physical injury tort settlement is eligible to be deferred through the feeMaster program. An attorney must elect to defer all or some of their fees **prior to executing a release**, and cannot directly receive the settlement money. Attorneys can choose to defer their fees even if their partners do not.

Questions to ask yourself:

Are you currently working with a trusted advisor?

What are your future milestones?

Do you feel like you're saving enough?

What are your personal goals?

What are your professional goals?

Investment-backed Structured Settlement

An investment-backed structure is a next-generation tool for plaintiffs to **spread and grow their settlement over time**. Instead of receiving their settlement in a lump sum, a plaintiff can establish a periodic payment schedule that provides the funds they need now and allows the rest to grow in a tax-free investment portfolio.

A modern alternative, investment-backed structures typically offer better growth than that of a traditional structured settlement. Investment-backed structures, perfected by Milestone, **maximize the impact of plaintiffs' settlement dollars**.

Key features include:

- Tax-free or tax-deferred* gains
- Fixed, predetermined payment schedule
- Customizable payment stream design
- Specialized financial advisor best suited to fit your needs

*Compensation for punitive damages and non-injury settlements are taxable, so periodic payments from these types of income are tax-deferred. Personal injury settlements are not taxable, so the periodic payments and the growth on those payments are tax-free.

Special Needs Trust

Beneficiaries risk disqualification after settlement.

If your client receives means-tested government benefits, receiving a lump-sum settlement could put them over the programs' strict income limits and disqualify them from benefits.

Some of the benefits at risk:

Supplemental Security Income (SSI)	Children's Health Insurance Program (CHIP)
Supplemental Nutrition Assistance Program (SNAP)	Federally Assisted Housing
Medicaid	

Special needs trusts give families greater control

A special needs trust (SNT) helps plaintiffs stay eligible for their means-tested government benefits after settlement. Using settlement funds to supplement coverage, a special needs trust pays for goods and services that government benefits do not cover. This tool helps **beneficiaries avoid disqualification by keeping them within the programs' strict income limits**.

Some of the resources covered by funds in an SNT include:

- A home
- Home furnishings and personal belongings
- A vehicle
- Essentials for self-support
- Occupational goals, such as the pursuit of a college degree or vocational training
- Life insurance policies
- Burial expenses

Recommendations vary based on the settlement amount and plaintiffs' individual circumstances. If your client is looking to preserve any of these benefits, please feel free to **give us a call**.

Domestic Asset Protection Trust

Avoid risks down the road

When a person receives a settlement, a variety of unexpected future financial issues could put those assets at risk. Divorce, starting a business, or another life event can dissipate the money over time, whereas bankruptcy or another catastrophic loss can be immediately impactful. Both scenarios cause a person to benefit far less from that large lump sum than he or she could have. Establishing a domestic asset protection trust (DAPT) is one way to protect against these risks.

A domestic asset protection trust is

an irrevocable trust that offers an opportunity for lifelong planning and financial protection. The goal is to shield the interest of the beneficiary in such a way that trust assets are firmly protected against creditor claims.

Safely navigate post-settlement

Asset protection can only be accomplished in states that maintain compliance with asset protection law. Fewer than half the states in America allow a DAPT. Our firm relies on statutes in states like Nevada, Delaware, and South Dakota in order to provide the best protection against creditors.

Medicare Set Aside

Plaintiffs must comply with Medicare's interests as a secondary payer to avoid denial of coverage.

When a Medicare beneficiary obtains a personal injury settlement or workers compensation claim, those sources are responsible for covering their medical expenses before Medicare does.

A Medicare set aside is funded with a portion of a plaintiff's settlement. The account pays toward future health care expenses associated with the injury – which Medicare would otherwise have to pay. That way, Medicare remains the secondary payer and the beneficiary does not risk losing benefits.

Taking a streamlined, systematic approach to the process will ensure beneficiaries set up their program properly and keep their Medicare eligibility.

Non-qualified Assignments

For taxable settlements, plaintiffs can achieve tax deferral, earn interest on pretax earnings, and receive tailored planning.

Cases that do not involve personal bodily injury are taxable. Accepting settlement as a lump sum would impart the largest taxation on the plaintiff's settlement value. In cases that are not considered bodily injury claims, it may be beneficial to establish a non-qualified assignment (NQA).

This strategy allows the plaintiff to **spread their settlement into payments over time instead of receiving it in a lump sum**. The plaintiff only pays taxes on the amount in payments they receive in a year, while the rest grows in a tax-deferred investment account.

A non-qualified assignment (NQA) has a wide array of applications in non-personal injury cases, such as:

- Construction defects
- Contract disputes
- D&O and E&O claims
- Employment litigation
- Environmental claims
- Punitive damages

Meet Your Milestone

Milestone has been partnering with law firms at settlement for more than 20 years. Each case we've worked on presents unique circumstances, obstacles, and challenges along the way. Our diverse experience helps us **expertly navigate all aspects of settlement**.



**“We as litigators
can help maximize our clients’ recoveries.**

When we are looking to partner with a settlement planning company, we have to assure that they're looking out for the client's best interest. We chose Milestone to refer our client to because **they've always done right by our clients**. I frankly don't know how lawyers are taking care of their clients if they're not partnering with a company like Milestone.”

— Roopal Luhana, Chaffin Luhana —

Forward facing.

Milestone brings the brightest minds in the legal and financial fields to provide trusted guidance and support to attorneys, law firms, and plaintiffs at settlement. Milestone's commitment to providing the best financial solutions along the legal journey moves our clients forward.

Principled — Dependable — Empathetic — Agile



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