

On June 15, 2007, a new Rule was promulgated by the Pennsylvania Supreme Court requiring individuals who want to get “cash now” by selling their structured settlements to tell a judge why. The rule is designed to provide judges with information to help them decide whether the transfer of the structured settlement payments is in the best interests of the recipient or his dependents. Structured settlements are settlements in which the claimant receives the settlement proceeds over time, sometimes 20 or 30 years, or even a lifetime. These special settlements only occur if the parties agree, and can serve to provide a lifetime of payments to seriously injured people such as victims of spinal cord injuries or traumatic brain injuries. A major advantage of a structured settlement is that all of the settlement proceeds over the long life of the settlement are free from federal income tax.