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Injured? Here's Some Advice

By Michael Ian Rott and Judy Beal



Jake Metcalfe (not his real name) was a 350-pound AT&T employee and loyal member of CWA Local 9511. In 2004, he died on the job from heat exhaustion, leaving behind a wife and three children: a 4-year-old son in remission from cancer, an 8-year-old daughter with autism and a 17-year-old daughter on track to become the first in her family to attend college.

Jake's death could not have come at a worse time. A flood had just destroyed the family condominium, using up his daughter's college money. Jake's death also left the family without health insurance to cover his son's massive medical bills, and with Jake's wife forced to return to work, there was no one to care for their autistic daughter.

The good news is that, after a long, tough negotiation on behalf of CWA, we reached a settlement with AT&T that kept Jake's daughter in college, paid for his son's medical bills and allowed his wife to stop working and care for their autistic daughter.

Structuring Your Future

The key to Jake's settlement was our use of a financial benefit the federal government created exclusively to help accident victims like Jake's family. It's called a structured settlement

and it allowed us to guarantee income for the family's current and long-term needs in a way we could not have matched with a single lump-sum payment.

A structured settlement allows you or your family to put part or all of an injury or wrongful death award into a safe payment stream designed to meet your financial needs. Your payments are completely exempt from federal and state income taxes, which usually means you get a better total return. Payments can be in regular installments or can factor in cost-of-living increases. Depending on future needs, you also can include occasional larger payments or guarantee your payments for life.

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The possibilities are endless, which is why we always recommend working with an experienced structured settlement consultant. In Jake's case, our consultant designed a payment stream that recognized the family's changing needs, including occasional larger payments to meet future requirements.

Protecting Your Future

As union members know, workers' compensation systems are not friendly to injured workers, no matter where they live. The small benefits mean that many end up selling their homes, losing health insurance and leading impoverished lives until their cases are resolved. Moreover, when a settlement is reached it often is resolved with a one-time payment, creating the risk of a second tragedy: Just a few bad investments can leave a person with no job, no money and expenses piling up.

Still not convinced? Then consider the saga of "Karen," a 39-year-old California Teamster we know who broke her back and pelvis in a driving accident. After years of treatment and surgeries, she got a lump-sum settlement of almost \$2,000,000.

Within a few months, her husband had persuaded her to pay off all his personal debts, including an IRS lien. He also got her to buy him a new Cadillac Escalade, a prize shotgun and a house in Las Vegas—before running off with most of what was left, leaving her almost broke. Today, Karen works full-time at a restaurant because she has nothing left to fall back on.

From 1996-2007, Michael Rott was General Counsel of Communications Workers of America Local 9509. Judy Beal was president of CWA Local 9509 from 1996-2002. In 2002, the San Diego-Imperial Counties Labor Council named Ms. Beal its "Labor Leader of the Year."