

Asset Management Trust

The Asset Management Trust, also known as a Spendthrift Trust, is an irrevocable trust created specifically for the benefit of a child, spouse or other beneficiary that the Trustor feels cannot make responsible financial decisions or is apt to spend the money irresponsibly. It can also be used for an educational trust

The Asset Management Trust is written so that the beneficiary can receive the full benefits of the trust but does not have direct access to the trust funds. Typically, the Trustee has the power to provide for the beneficiary by paying the appropriate bills or other living expenses directly to the provider. i.e. tuition, rent etc.. provisions to provide protection against a beneficiary's creditors. It can also provide protection from potential divorcing spouses or other family situations that may need sensitive handling such as a pending bankruptcy.

The Asset Management Trust may be customized to continue for the life of the beneficiary, or may be limited to a period of years. For example, the trust could be established to create a college fund for your child or grandchildren with specific direction for use.

In addition, the Asset Management Trust can be an effective tool to provide for the special needs of a handicapped or disabled beneficiary. The trust can be funded to provide for the heir's living expenses and effectively protect them from losing their Government benefits.

The Asset Management Trust is a powerful tool that offers important asset protections for those who are not good at handling money, for those who may encounter financial adversity or are disabled, and for those that may wish to create an educational trust fund for their family.

Advantages of an Asset Management Trust

- ◆ Assets avoid probate and are free from estate taxes
- ◆ Provides protection from creditors
- ◆ Provides protection from divorcing spouses
- ◆ Provides protection of assets from beneficiaries with money management problems
- ◆ Able to provide for the health, education, maintenance, and support of the beneficiary without passing the funds directly to them
- ◆ Protects government benefits for a disabled or handicapped beneficiary
- ◆ Trustee is independent and free of any control of the beneficiary
- ◆ Creates a fund to take care of the educational needs of family or others

DISCLAIMER

These materials are for informational purposes only and not for the purpose of providing legal advice. Please contact a licensed attorney to obtain advice with respect to any particular issue or problem.