

PROTECTING FAMILY ASSETS
FROM YOUR CHILD'S SPOUSE

by Neil R. Lubarsky, Esq.

Do you have any concerns about the strength of your children's marriages, or do you worry about what might happen to family monies should your children get divorced? Do you have any concerns about what might happen to family assets left to an adult child if such adult child were to predecease such adult child's spouse? If so, you should consider leaving some or all of the assets to your children in the form of a "beneficiary controlled" trust.

“Beneficiary controlled” trusts, if properly structured, can significantly reduce the risk of having assets intended to benefit your child ending up with your adult child's spouse in the case of a divorce. In addition, in the event that your child were to predecease his or her spouse, your use of such a trust will have served to minimize any risk that family monies intended for the ultimate benefit of your child and grandchildren will instead be taken by your child’s surviving spouse and used in supporting another family. Leaving assets directly to an adult child with a shaky marriage, or leaving monies directly to children with health issues, often creates a significant risk that such assets will ultimately end up in the hands of unintended beneficiaries. As an alternative, leaving such assets to a properly structured “beneficiary controlled” trust established on behalf of your child will provide your child with effective control over the trust funds, while significantly reducing the chance that such funds will end up in the hands of unwanted beneficiaries.

Such trusts can also be used to help protect family assets intended for the benefit of your children from being taken by your children's current or future creditors.

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