

What Happens to the Trust on: (1) Your Death if you are the Sole Beneficiary, or (2) on the Death of You and Your Spouse if You are Married

One Irrevocable Trust Will Be Created for Each Beneficiary

Important Facts about Your Beneficiaries' Trusts

1. Successor trustee must hire an estate planning attorney to create a separate trust for each beneficiary. Your trust contains the language used for each trust so the attorney does not have to draft a new trust for each beneficiary. The attorney only drafts the documents needed to ratify each beneficiary's trust per the language in your trust.
2. If you have one child or beneficiary one trust will be created for that beneficiary and the successor trustee will transfer all of the trust assets not previously given away into the beneficiary's trust.

Child's Irrevocable Trust

- 100% of your trust's assets will be transferred to this trust
- Your successor trustee is the trustee until: (1) this trust is funded , and (2) the beneficiary becomes the trustee (if your trust allows the beneficiary to become the trustee
- If the child dies with any living children (your grandchildren) one trust will be created for each of the child's living children and the assets in the child's trust after his or her death will be divided equally and transferred into the grandchildren's trusts.
- If the child dies without any children, the assets in the child's trust after his or her death go to whoever you designate in your trust as alternate beneficiaries.

3. **Note About Children Born in the Future:** If you acquire any children after your trust is signed, including any adopted children, your trust provides that those children will be included in your trust. For example, if you have two children today, but have four children when you die you trust will create four trusts, one for each then living child, and divide your estate into four equal parts that are transferred to each child's trust.
4. If you have three children or beneficiaries, the successor trustee will form three trusts and transfer to each trust the assets you specify in your trust.

Option 1: Assets Divided Equally Among Beneficiaries Parent(s) Asset Value on Date of Death = \$120,000

Child 1's Trust

- \$40,000 transferred to Child 1's trust
- Child 1 is the trustee of Child 1's trust

Child 2's Trust

- \$40,000 transferred to Child 2's trust
- Child 2 is the trustee of Child 2's trust

Child 3's Trust

- \$40,000 transferred to Child 3's trust
- Child 3 is a minor so Child 1 is the trustee of Child 3's trust until Child 3 is 25