

# Spendthrift Trusts

Leave a Legacy That Lasts



**Trust Services**

## What is it?

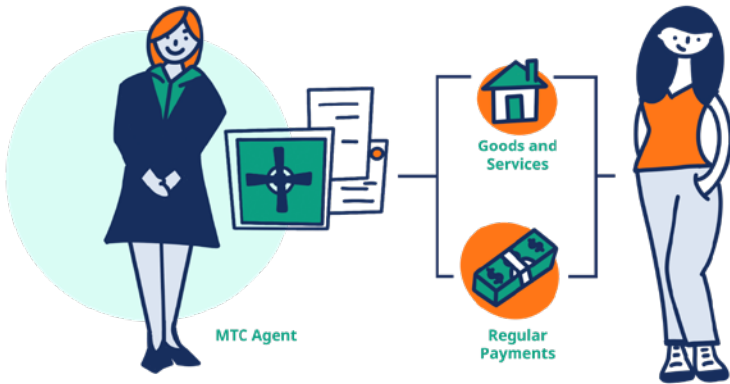


If you have a loved one who struggles with financial independence, you may face a dilemma when drafting your estate plan. While you want to demonstrate equitable intent to all beneficiaries, you may be reluctant to leave a lump sum of money to a financially inexperienced loved one who is prone to irresponsible spending, or vulnerable to addiction, gambling, or bad investing.

Fortunately, there is a powerful estate planning tool that allows you to keep continued control over trust assets and protect an inexperienced heir from him- or herself: a Spendthrift Trust. With a Spendthrift Trust, you place the inheritance of your financially challenged loved one in a special trust and designate a trustee to manage that trust per your wishes.

## HOW DOES IT WORK?

A Spendthrift Trust allows you to protect your hard-earned assets from being mismanaged, squandered or attached by a beneficiary's creditors.



### **Customizable conditions.**

Minimize the likelihood that your beneficiaries will squander their inheritance by making trust payouts in installments.



### **Values-driven.**

Promote your values in future generations by providing for distributions upon proof of enrollment in a university or successful completion of a rehab program.



### **Creditor Protection.**

A Spendthrift Trust may also shield trust assets from a beneficiary's spouse in the event of a divorce proceeding.\*

Disclaimer\*: The creditor protection afforded by a Spendthrift Trust varies according to state law. Consult an attorney.

# Your Peace of Mind is Always on Our Mind

A plan is only as solid as the person or entity charged with its execution, so it's important to be thoughtful when selecting the trustee of your Spendthrift Trust. If you select the sibling of your financially irresponsible heir, for example, this can make family dynamics challenging and burdensome, especially while grieving. This is why many families opt for the services of a corporate trustee, like Members Trust Company.

## Benefits of a Corporate Trustee



**Objectivity.** Losing a loved one is a painful experience that can affect the mind and body. A corporate trustee has the emotional sensitivity to handle legal and financial matters and communicate to beneficiaries effectively.



**Family Harmony.** The grief and financial stress from losing a loved one can fuel family conflict. A corporate trustee relieves your family of the burden of dealing with legal complexity during a difficult time.



**Peace of Mind.** A corporate trustee ensures professional management of trust assets and is regularly audited to ensure appropriate policies and procedures are in place for proper trust administration.

# WHAT A TRUSTEE DOES

## Possible Post-Death Actions



**Collect & Appraise Assets**  
Collect assets; conduct appraisals to determine total value



**Secure & Sell Property**  
Change locks on trust properties; possibly prepare for sale



**Communicate Often**  
Provide written notice to beneficiaries



**Notify Creditors**  
Notify creditors of decedent's death; pay debts



**File Taxes**  
File income taxes and federal death taxes if necessary



**Provide Accountings**  
Provide accountings to beneficiaries



**Distribute Assets**  
Distribute remaining assets to beneficiaries



Successor Trustee

# There's a Reason Trust is Our Middle Name™

**Our mission is to help credit union members and private clients protect their hard-earned assets, achieve their financial aspirations and ensure their financial legacy thrives.**

Founded in 1987 by America's Credit Unions for credit unions, their members and the general public, Members Trust Company is the first national trust and investment firm providing financial stewardship, investment and trust services with "Main Street" member-centric value *and values*...even for non-credit union accounts. This means we pick up the phone when you call, we treat you and your family as if you were our own, and that doing the right thing is more than our thing, it's our mandate.

With our Main Street Values comes Wall Street expertise...without the ego or exorbitant fees. Our team of investment professionals holds the prestigious Chartered Financial Analyst® designation and have been continually recognized in the industry as innovators and subject matter experts in trust and investment solutions, big and small.



## Trust Services

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South Bend, IN 46601

**(800) 552-4745**

**[tcunet.com](http://tcunet.com)**

**Corporate Office:**  
14055 Riveredge Drive  
Suite 525 | Tampa, FL 33637

**(888) 727-9191**

**Local: (813) 631-9191**

**Fax: (813) 631-9898**

**[MembersTrust.com](http://MembersTrust.com)**



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