

August 2011
Ask the Trust Officer

In-law protection

Dear Trust Officer:

I have two grown children, both married. One couple is financially secure; the other is less so. Candidly, I don't trust the spouse of my child who is struggling. Is there something I can do to keep that child's inheritance from the spouse's hands? How do I treat the children differently without provoking a family feud? — *Discriminating Parent*

Dear Discriminating:

The best way to protect an inheritance is by using a trust, giving the beneficiary a financial resource instead of financial assets. The trust may distribute income to the beneficiary each year but include restrictions on principal distributions. For example, the trust might be invaded for medical or education expenses, or to purchase a home, or upon reaching certain milestones. The trust beneficiaries may be limited to your descendants, excluding sons-in-law and daughters-in-law.

The terms of a trust are not normally made public, but are known only to the creator of the trust, the trustee and the beneficiaries. Accordingly, if you have two trusts for your two children, you may provide different restrictions for each. They don't have to be told about the differences.

Do you have a question concerning wealth management or trusts? Send your inquiry to aspears@firstbankrichmond.com.

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