

## ***Planning Ahead***



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## **Protect and Motivate a Young Beneficiary**

In making your Estate Plan, you never want outright distribution to a beneficiary under 18, since doing so would likely result in the need for a Court Guardianship. For various reasons, you may not want to make outright distribution to a young beneficiary over 18, either.

Estate planning is all about legacy and that may include protecting a beneficiary from himself and others. Delayed distribution by holding back the beneficiary's gift in trust for a period of time can provide protection from creditors, preserve the child's inheritance against divorce and can even be used to motivate responsible behavior.

We all want our children to become responsible, productive and self-sufficient adults. Provisions in a Trust can foster that result with incentives around education, employment, savings, and even community service. For example, a child's Trust might not terminate until the child has earned a college degree or trade certification and is gainfully employed. Or distributions to a child might depend on or be determined by the child's own savings or contributions to a retirement account. If a child has struggled with addiction, Trust provisions might limit distributions except to promote rehabilitation and recovery.

Poor money management or an unfortunate accident can result in a creditor's claim against the child. A properly drafted Trust can keep the child's inheritance from reach of creditors. A more common concern is the child's choice of life partner. With divorce rates high, it is understandable that a parent doesn't want their child's inheritance (hard earned by the parents) to be included in a division of property that goes to the future ex-son or daughter-in-law. Holding an inheritance back in a continuing Trust can preserve the inheritance for the child in a divorce.

These are not always easy concerns to address. But your estate planning attorney can provide thoughtful solutions to aid you in your legacy planning.

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