



# Family Legacy Protection Planner

## HOW TO PROTECT YOUR RETIREMENT ACCOUNT

Shocking to most people, your retirement accounts can be seized once they pass to your loved ones. During your lifetime, your retirement funds have asset protection, meaning they can't be taken in a lawsuit. Unfortunately, as soon as retirement accounts are inherited, the protection evaporates. This means your hard earned money can legally be snatched by strangers and the courts.

As estate planning attorneys, we constantly look for ways to protect our clients as well as their loved ones and assets. That's why we suggest we have a conversation about your retirement accounts and together determine whether a retirement trust would make sense for you.

### **What is a Standalone Retirement Trust & Why is it Good For You?**

A Standalone Retirement Trust (SRT) is a special type of revocable trust.

The SRT is popular because it:

- Protects inherited retirement accounts from beneficiaries' creditors as well as predators and lawsuits
- Ensures retirement accounts go to whom you designate – and nobody else
- Allows for experienced management and oversight of assets by a professional trustee
- Prevents beneficiaries from reckless spending or gambling
- Enables proper planning for a special needs beneficiary
- Permits you to name minor beneficiaries as immediate beneficiaries *without* court-supervised guardianship
- Facilitates generation-skipping transfer tax planning

### **Divorce Creditor - A Common Example**

Many parents are concerned that their in-laws may someday become the outlaws; they may someday get divorced and inherited assets can be seized by a divorcing spouse.

Here's the story of Mary and Tom - which outcome would you prefer for your children?

Option 1: *Mary and Tom love their son-in-law, Mike, and think his marriage to their daughter Liz will last. They gave Liz her share of their retirement plans outright at their deaths. Five years later, Liz and Mike divorced and Mike was able to take 50% of Liz's inherited retirement funds.*

Option 2: *Mary and Tom love their son-in-law, Mike, but recognize that 50% of all couples end up in divorce. It's an unfortunate reality, so when they did their estate planning, they provided for their children, but made sure the inheritances couldn't be taken from them. Instead of outright distributions, they passed their retirement plans in trust. Five years later, Liz and Mike divorced and Mike was not able to take any of Liz's inheritance.*

Want to know more? Contact us today to schedule a conversation. While every situation is different, we can help you determine with an SRT is right for you.

## ENSURE YOUR FAMILY IS PROTECTED

If you want to ensure that your family is protected, please schedule your complimentary Estate Planning Strategy Call with San Francisco's premier estate planning attorney, Matthew J. Tuller.

[LEARN MORE](#)

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**With an emphasis on developing and maintaining relationships with our clients and allied professionals, our firm collaboratively provides comprehensive estate planning and administration solutions to every client. Our firm provides the full spectrum of estate planning solutions. This includes creating and implementing a comprehensive estate plan, maintaining that plan through life, and administering the plan in the most effective and efficient manner.**



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