

February 2024
Issue

Give us a call!
757-530-7011
www.alperinlaw.com
Hours: 9:00-5:00 M-Th, 9:00-12:00 F

The Trust Protector: Your Guardian Angel

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What Is a Trust Protector?

Traditionally, the three roles that must be filled when setting up a trust are the settlor (also called a grantor, trustor, or trustmaker), the trustee, and the beneficiary. All three roles are necessary to create a trust that functions properly. Although it is relatively common to use trust protectors in foreign asset protection trusts, a trust protector is a fairly new role in trusts drafted in the United States for estate planning purposes. However, as the number of trusts designed to last for generations grows, estate plans need more built-in flexibility. Giving a trust protector, through the terms of the trust, certain powers over the trust, such as removing or appointing trustees, adding or removing beneficiaries, and amending or even terminating the trust, ensures that your intentions for creating the trust are fulfilled despite changing law or circumstances.

How Is a Trust Protector Selected?

A settlor may select as a trust protector any individual or group of individuals, such as family members, business associates, friends, attorneys, accountants, or other professional advisors. The naming of a trust protector may be specific, such as “my neighbor John Doe,” or general, such as “a CPA selected by the majority of the owners of the [ABC CPA Firm].” The settlor provides for and selects a trust protector in the trust agreement.

Who Makes a Good Trust Protector?

Because of the many and varied powers that a trust protector can hold, you should name a trust protector who has attributes, knowledge, or skills suitable for the responsibilities of the role. For example, if the trust protector has the power to amend the terms of the trust to account for changes in tax law, the trust protector should have some understanding of tax law and how it will impact the trust. If a trust protector has the power to veto or direct trust distributions to beneficiaries, the selected trust protector should understand the family history and desires of the settlor. Different powers may require the selection of different trust protectors or possibly a committee of trust protectors.

What Does a Trust Protector Do?

Based on your wishes, the purposes of the trust, and applicable laws, the trust protector can hold many different powers, including administrative powers traditionally held by a trustee, such as the power to make distributions, and judicial powers traditionally held by a court, such as the power to remove beneficiaries. Trust protector powers can include the power to

- remove a trustee or appoint a successor trustee,
- add or remove beneficiaries,
- amend the trust agreement,
- exercise the voting rights of closely held business interests owned by the trust,
- interpret the terms of the trust, veto or direct trust distributions,
- terminate the trust, and appoint and remove members of a distribution or investment committee.

OFFICE LOCATIONS Multiple office locations for your convenience. **UPCOMING SEMINARS & WEBINARS**

Virginia Beach (Main Office)
500 Viking Drive, Suite 202

Norfolk Office
319 W. 21st St., Suite B

Suffolk Office
3345 Bridge Road, Suite 916



Why Wills are Obsolete
Wednesday, March 6th at 2:00pm

Plan Now to Protect Your Loved Ones
Thursday, March 14th at 12:00pm



SCAN ME



Why Wills are Obsolete
Wednesday, March 20th at 2:00pm

Plan Now to Protect Your Loved Ones
Tuesday, March 26th at 10:00am



SCAN ME

The Trust Protector: Your Guardian Angel Continued

This list is not exhaustive, and you should include any of these or other trust protector powers only after careful consideration of your desires and purposes for creating the trust.

Reasons for Including a Trust Protector in Your Trust-Based Estate Plan

There are several reasons to include a trust protector in your trust-based estate plan:

- Trust protectors offer increased flexibility and peace of mind. The administration of a perpetual trust that may last for generations can be a daunting task because no one knows what the future may hold. Including trust protector provisions in your trust agreement can ensure that your trust achieves your goals despite changing circumstances and laws.
- Trust protectors can provide additional oversight and support for a trustee. A trust protector can ensure that a trustee is properly administering the trust and carrying out the trust's purposes. If the trustee is delinquent in its duties, a trust protector may remove the trustee and appoint a better-suited trustee. A trust protector can also help a trustee correctly interpret trust provisions and address changes in the law or beneficiary circumstances.
- Trust protectors provide an easier and less costly means of modifying a trust. If a trust needs to be modified after the settlor's death, usually the only route is through the court system, a complicated and costly process. Giving a trust protector the power to modify the terms of a trust can prevent the need to go to court to modify the trust.

Can I Name a Trust Protector for a Testamentary Trust?

A testamentary trust, usually created through a will, comes into existence after the settlor dies and the will has been probated. A testator (the person who makes the will) can, and in many cases should, include trust protector provisions in a testamentary trust to ensure that their intent for the trust is properly carried out over time.

Does Every State Allow Trust Protectors?

State law varies in its treatment and classification of, and guidance for, trust protectors. Though many states have adopted a uniform set of laws governing trust protectors, or a modified version of these uniform laws, other states have not addressed trust protectors at all. It is important to consult an attorney familiar with your state's laws to understand whether trust protector provisions are right for you and your goals. In 2020, the Virginia General Assembly adopted the Uniform Directed Trust Act which establishes the legal framework that applies to trust protectors in Virginia. Because of the adoption of the Uniform Directed Trust Act, trust protectors in Virginia are ordinarily referred to as "trust directors."

Please contact us at (757)-530-7011 to learn more about naming a trust protector and discuss whether it is a good idea for you. We are happy to answer any questions you may have and help you craft an estate plan that is perfect for you and for your loved ones.



Recipe: White Chicken Chili (Delish.com)

Ingredients

- 1 tbsp. neutral oil
- 1 medium yellow onion, chopped
- 1 jalapeño, seeded, finely chopped
- 2 cloves garlic, finely chopped
- 1 tsp. dried oregano
- 1 tsp. ground cumin
- 3 boneless, skinless chicken breasts, cut into thirds
- 5 c. low-sodium chicken broth
- 2 (4.5-oz.) cans green chiles
- Kosher salt
- Freshly ground black pepper
- 2 (15-oz.) cans white beans, drained, rinsed
- 1 1/2 c. frozen corn
- 1/2 c. sour cream
- 1 avocado, thinly sliced, for serving
- 1/4 c. chopped fresh cilantro, for serving
- 1/4 c. crushed tortilla chips, for serving
- 1/4 c. shredded Monterey Jack, for serving

Directions

Step 1: In a large pot over medium heat, heat oil. Add onion and jalapeño and cook, stirring, until softened, about 8 minutes. Add garlic, oregano, and cumin and cook, stirring, until fragrant, about 1 minute. Add chicken, broth, and chiles; season with salt and pepper. Bring to a boil, then reduce heat and simmer, uncovered, until chicken is tender and cooked through, 10 to 12 minutes. Transfer chicken to a plate and shred with 2 forks.

Step 2: Add beans to pot and bring to a simmer. Cook, smashing about one-quarter of beans with a wooden spoon, until slightly thickened, about 10 minutes. Add corn and shredded chicken and cook, stirring, until heated through, about 1 minute more. Remove from heat and stir in sour cream.

Step 3: Ladle chili into bowls. Top with avocado, cilantro, chips, and cheese.



Alperin Law Business Protection Plan

We are excited to present the new and improved Alperin Law Business Protection Plan, a tailored solution for proactive business maintenance. This comprehensive plan addresses the critical need for streamlined back-office paperwork, allowing business owners to focus on core operations.

Neglecting legal maintenance poses risks that can undermine the very purpose of forming a business, including limited liability. The Alperin Law Business Protection Plan mitigates these risks, ensuring your business remains in good standing and shields you from personal liability.

Key features of the plan include firm access with attorney support via phone and email, annual in-person meetings, compliance reviews, registered agent services, and assistance with asset transfers. The plan also covers annual meeting support, required reports filing with the Virginia State Corporation Commission, and provides important reminders through periodic newsletters.

For a limited time, access this comprehensive plan at an introductory fee of \$995 annually or \$82.92 per month, offering business owners a cost-effective way to secure their assets and protect against personal liability. This plan has a value of over \$3200 for all of the benefits included. Prices are subject to change, so don't miss out on the opportunity to fortify your business strategy with the Alperin Law Business Protection Plan. Contact us at (757)-530-7011 for further details on what you can expect upon enrolling in the plan.