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in new hampshire we trust

ESTATE PLANNING OPTIONS

New Hampshire has long marketed itself as destination for great skiing, leaf peeping, and summer fun. Now, thanks to some new laws, New Hampshire is the best place in the country to establish a trust—and even your own private trust company. The state hopes that the new rules will entice wealthy out-of-staters to set up trusts and invest their money here, in addition to buying lift tickets and vacation homes. But the new rules also will benefit New Hampshire families. ►

Unlike many other states, New Hampshire allows people to create trusts that last forever. By establishing a perpetual trust, you can preserve and control your assets for future generations of your family.

Although many people think trusts are only for the super-rich, they actually are common estate-planning tools that can help people control the ownership and management of their assets, both during life and after death. Some trusts also provide tax savings and creditor protection. Very simply, when property is held “in trust,” someone—the trustee—holds the property until the trust agreement says it’s time for the trustee to distribute the property to the beneficiaries.

PERPETUAL TRUSTS

Unlike many other states, New Hampshire allows people to create trusts that last forever. By establishing a perpetual trust, you can preserve and control your assets for future generations of your family, rather than passing all of your property outright to your heirs upon your death. The trust avoids the risk that your heirs will waste the inherited

property, or that it will be lost to an heir’s creditor or ex-spouse if the heir is sued, goes bankrupt, or gets divorced.

Perpetual trusts are especially attractive to business owners who want to keep the business within the family. Centralizing the ownership of the business in a trust can help with business succession planning and minimize estate taxes. It also can help equalize inheritances when some, but not all, of the children work for the family business.

PROTECT YOUR ASSETS

Trusts also appeal to families who own valuable vacation property and farms in New Hampshire. Without a trust, it is difficult—and sometimes impossible—to keep the heirloom property in the family after the senior generation dies. The property can become a burden to the heirs. They may find it difficult to keep up with expenses (especially

property taxes), maintenance, and capital improvements, and to coordinate the use and enjoyment of the property among the separate branches of the family. Problems also arise if some heirs want to keep the property and others want to sell it. Without thoughtful planning, preserving the family’s heritage can quickly take a backseat to dealing with the cost of maintaining the property. A New Hampshire trust can be set up to own the property and address these concerns.

A New Hampshire trust can be very flexible, and can be set up to adapt to changes in tax laws and family situations over time. You can even set up a trust for your pet! Under the new laws, you can designate special trustees to serve specific roles. For example, business assets could be managed by one trustee, and the family vacation compound by another. You can even name a “trust protector” to remove the trustee or change the beneficiaries’ interests in the trusts. This can be especially helpful if you have a professional trustee (such as a bank or trust company), but want someone in the family to be able to amend the trust in response to changes in family circumstances.

Finally, New Hampshire is now the perfect place for very wealthy people to park their cash. They can establish their own trust company and maintain a high level of secrecy about it—even from the trust beneficiaries. These private trust companies, combined with New Hampshire’s pro-business climate, low taxes, and favorable location, are expected to increase employment and revenue in the state.

If you think you may need a trust, you should consult with an attorney who concentrates in estate planning. A little professional help (or a lot, if you’re wealthy or have a complicated family situation) can avoid unexpected problems and taxes down the line. 🐾



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