



ARE YOU TRUST-WORTHY?

IF YOU HAVE PEOPLE OR ASSETS YOU WANT TO PROTECT, THE ANSWER IS “YES”

You don't need to be a millionaire to have a trust. All you need is the desire to protect your loved ones – your spouse, children, grandchildren, even your pets – and the assets to set aside for their well-being.

If you also name an independent, third party to manage your trust, you can ensure that the people you care about receive their financial benefits without having to take on the burden of investing, managing, or administering the trust assets yourself.

WHAT A TRUST CAN DO FOR YOU – NOW AND IN THE FUTURE

Here, from Krista Conover, senior vice president for Boston Private's Trust & Fiduciary Services, are some of the many reasons you might choose to create a trust as part of your financial and estate plans.

Manage your affairs if you are incapacitated. As people live longer, they increasingly need help making financial decisions. “Many of the clients we work with today are looking for trusts that address diminished capacity because they have seen their own parents aging and needing assistance,” says Conover.

Because a will only goes into effect after you die, it doesn't provide any direction for your family if you become seriously ill or disabled during your lifetime. However, just as an advanced directive can provide guidelines for those who make decisions about your medical care, a trust can provide direction for the person who manages your financial assets if you are unable.

Protect your family's privacy and avoid costly probate court delays. Trusts are not subject to a state's probate process for settling estates. That's why they can be used to keep finances confidential and asset transfers private. “The problem with probate is it's a public record. So, everybody knows what's going on within your estate,” says Conover. It also can be a costly and lengthy process if the probate court gets backed up. “And most people want to avoid that,” she adds.

Help your spouse manage inherited assets. If you have concerns about your spouse's ability, desire, or capacity to manage your finances in your absence, a trust can be an ideal solution, says Conover. For one couple that she worked with, who had a very traditional relationship, a trust managed by a successor trustee after the husband's death proved to be the right long-term answer: “She had taken care of all the household duties, and he had taken care of all the financial duties for many years. The husband wanted to make sure someone would help his wife when he wasn't available, so he named Boston Private Bank & Trust Company as corporate trustee to manage his finances when he became ill later in his life. And Boston Private still manages the trust assets for his widow now that she has reached age 100. The trust also reflects their agreement about where assets will go when both of them have passed away.”

TAKE CARE OF YOUR CHILDREN

If you have children, a trust can protect assets for their benefit, particularly if they are very young or disabled.

For children from blended families:

When parents have been divorced and remarried, this can complicate the future plans they have for their children. There may be different opinions between spouses about whose offspring should get what assets. A well-designed trust can honor the parents' wishes about how and when each of their children will receive inherited assets.

For children and adults with special needs:

A trust can be created to make sure a child or adult who needs extra care will continue to receive lifetime financial support. However, because special needs trusts are meant to supplement and not replace needs-based public benefits such as Supplemental Security Income (SSI) and Medicaid, designing these trusts to preserve beneficiary eligibility is critically important. If you need this type of trust, you'll want to find an attorney and/or trust officer who specializes in them.

MAKE GIFTS TO CHARITY

Using a trust to make gifts to charity can give you important tax advantages, including a significant income tax deduction and reduced estate and gift taxes. If you set up a "split interest" trust, such as a charitable remainder or a charitable lead trust, some of the assets in the trust will go to the beneficiary and some will go to the charity. Charitable trusts can provide you with flexibility and control while helping you meet your charitable intent.

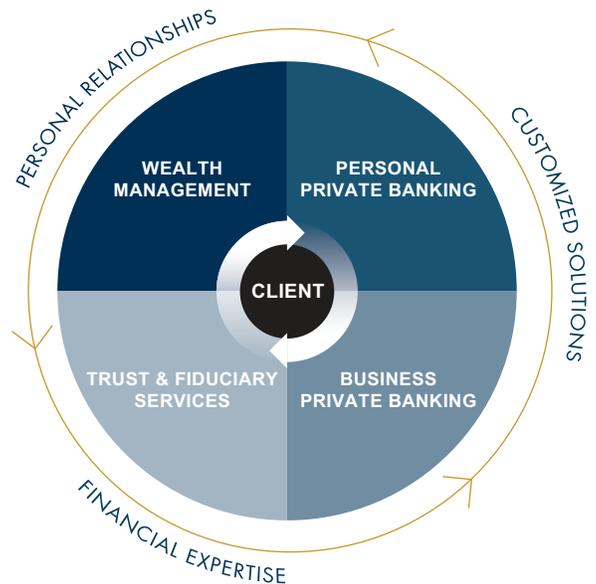
There are a number of other trusts that can help reduce your current and future income tax burden, transfer assets with tax efficiency, and reduce estate taxes for married couples. Your Boston Private advisor can help you explore these other options, depending on your situation, and can coordinate with your attorney or tax professional.

ABOUT BOSTON PRIVATE

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We're committed to building a trusted relationship with each client and have the broad expertise to create comprehensive, custom solutions for their personal and business needs that are often interconnected.

As wealth creators, our clients value having one trusted resource that can help them address all of their wealth management, trust, and private banking needs.



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