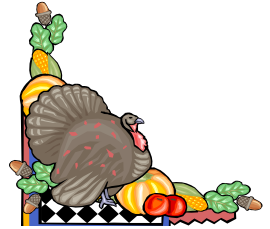




Mesmer & Deleault, PLLC
41 Brook Street, Manchester, NH 03104
Seacoast Office: One New Hampshire Ave., Suite 125
Portsmouth, NH 03801

Happy Thanksgiving!



“Tip of the Month”

The Nominee Trust

To help avoid probate, among other benefits, many people create revocable living trusts for their estate planning. The trick is to put all of the estate assets into trust right away, which is called “funding” the trust. That is how the trust avoids probate.

Among the estate assets to put into the trust are bank accounts and other investment accounts. When spouses each have their own trusts, we put each bank account, such as the joint checking account, into both trusts. The owner of the account is renamed something like this:

John Smith as Trustee of the John Smith 2008 Revocable Trust and
Mary Smith as Trustee of the Mary Smith 2008 Revocable Trust,
as tenants in common.

This arrangement has worked fine for decades, until recently. In the past year or so, some banks have said they cannot put one bank account into two trusts. We are not sure why, but suspect it might have something to do with the limitations of computer databases to fit that long title above.

One way to solve that problem is to put the two trusts into one, a simple nominee trust. The nominee trust is one that simply gives general powers to the Trustees for the benefit of the beneficiaries. In this nominee trust, the Trustees are the spouses, and the beneficiaries are their two Trusts, equally.

As a result, the two accounts can be put into one simple name for the bank, and both spouses can continue to be signatories on the account. The owner of the joint checking account would then be renamed something like this:

John Smith and Mary Smith as Trustees of the Smith Family Trust.

Even if there is more than one Smith Family Trust at the bank (just as there might be more than one John Smith as a customer of the bank), that account will still have its own account number. The bank account can be listed under the social security number of either spouse for tax purposes.

If you have any questions about the nominee trust, the revocable living trust, or about wills, probate or estate planning in general, please do not hesitate to give us a call at 668-1971 or contact us by email at *mailbox @ biz-patlaw.com*.

Frank B. Mesmer, Jr., Esq.
Robert R. Deleault, Esq.
Phillip E. Decker, Esq.

1108

(603) 668-1971

Fax (603) 622-1445

E-mail: mailbox@biz-patlaw.com

Website: www.biz-patlaw.com