

Protecting Inheritances

If there is a possibility that you would be receiving an inheritance at some point, it should be considered in your *LifePlanning* process.

Specifically, you may want to have this inheritance directed to a Safe Harbor Trust with you as the beneficiary and a trusted person as the trustee. This is to avoid having the inheritance added to your estate, which may disqualify you for Medicaid.

Thought should also be put into protecting your children's inheritance. This inheritance can be at risk of being vulnerable to creditors, divorcing spouses, and financial mismanagement. An Inheritance Protection Trust (a type of Safe Harbor Trust) can be

used in many cases to protect your children's inheritance from themselves and others.

The idea behind an Inheritance Protection Trust is that instead of leaving your assets directly to your heir, you instead leave it to a Trust. When you pass, your assets are put into the Trust with your child as the beneficiary and a trusted individual as a co-trustee. Your child will not be able to take money out of the trust without the approval of your co-trustee. For more information on Inheritance Protection Trusts, talk to a knowledgeable Elder Law Attorney.

