

## **Protecting Your Children from Their Nightmares...and Yours**

*By Helena S. Mock*

You tuck your children into bed and kiss them goodnight. In the doorway, you watch them peacefully drift off to sleep. They are so innocent, so naïve. After your long day, you fall into bed and dream of the day your children will be grown. You dream you are walking your daughter down the aisle at her wedding, beaming with pride. Your dream starts out normally, but then you see that your soon-to-be son-in-law is actually a chimpanzee.

While our dreams can be a stage for many bizarre fears, this one is fairly logical. No, it's not likely that your daughter will marry a chimpanzee. However, we have reason to be mindful of our children entering bad marriages. In the United States, the rate of divorce is up dramatically from one or two generations ago. The current rate is more than double the rate in 1940 and is up 86% from 1960. Nearly half of all marriages in the United States now end in divorce.

Is it possible that one of your children could get divorced? Definitely. So, how can you protect them? First, upon your death, you can leave assets to your children in a trust. Such a trust allows your child to keep his or her inheritance from being considered marital or community property. Your child can still be in charge of the money; the child can be the trustee and make decisions on the management and investment of the money. Or, someone else can be the trustee, and the child can be given the power to pull money out of the trust. You may not have control over whom your child marries, but you can protect her inheritance so that she will be able to recover financially if the marriage doesn't work out.

In addition to protecting your children in the event of a divorce, you can also protect them from the remarriage of your spouse after your death (especially if the spouse is not the parent of your children). If you predecease your spouse, you can ensure that your children's inheritance is protected. Rather than leaving all of your assets outright to your spouse, you can leave those assets in one or more trusts. One option is to leave up to \$2 million in a "credit shelter trust" to benefit your spouse and/or children. This trust can pay income and principal for the needs of the spouse and/or children. Anything over that amount can be left in a "Marital Trust." The Marital Trust could also provide for your spouse's needs, or it could provide the spouse with income only. This method minimizes estate tax while maximizing protection for both your spouse and your children. Either way, whatever is left over goes to your children and not go to a "new" spouse. This peace of mind will enable you to enjoy what lies ahead rather than worry about what you leave behind.

*Ms. Mock is a partner with the Law Firm of Jones, Blechman, Woltz & Kelly, P.C. and a member of the American Academy of Estate Planning Attorneys.*