MEIER LAW FIRM
NEWPORT ELDER LAW
Trusts • Asset Protection • Special Needs

LIFETIME TRUST DISTRIBUTIONS DESIGN WORKSHEET

Below are examples from which to inspire you to assemble and personalize the guidelines for your children's Lifetime Trusts. The following samples and language are **only suggestions** to help guide you toward individualizing your requirements! Please review the examples and then spend some time writing down your thoughts where provided.

1. Establishment of a Business: I would support my child's establishment of a business as follows:

   Example 1: The complete purchase, establishment or continuation of a business or professional practice. A precondition to approval of this disbursement by the Trustee shall be a reasonable expectation of success, as documented by a business plan conforming to commonly prevailing business practices; or a commercial loan of funds equal to or exceeding this amount from a reputable financial institution for such business or professional practice.

   Example 2: Seed money to start a business or professional practice not to exceed 25% of the first year startup costs or 15% of the trust capital, whichever is less. A precondition to approval of this disbursement by the professional trustee shall be a reasonable expectation of success, as documented by a business plan conforming to commonly prevailing business practices.

   Example 3: I would not provide any funding distributions to my beneficiaries to support any kind of a business endeavor.

   Your thoughts about supporting your child's business:

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Career Objectives: I would support my child's career objectives as follows:

Example 1: To supplement the beneficiary's income while he or she is employed full time in an occupation to which he devotes at least 35-40 hours of work per week or is pursuing a career, which is socially productive on a full time basis, such as a career as an artist, musician, farmer or teacher.

Example 2: While he or she is pursuing an educational, scientific, personal or charitable goal, which is in the child's best interest and of the general public, is consistent with our family philosophy and which makes her a productive member of society.

Example 3: Provide a dollar for dollar match of whatever the beneficiary earns.

Your thoughts about supporting your child's career objectives:

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2. Education. I would support my child's educational needs as follows:

Example 1: Enriching educational opportunities, such as symposia, short educational courses, musical training, or other that are not directly related to the beneficiary's occupation, the intent being to broaden the beneficiary's intellectual horizons and general knowledge. Similar activities may be funded for the beneficiary's children. Funding for such opportunities shall be limited to ½ of 1% of the trust principal per year. Any unused distribution in any given year or years may be carried forward to some future time, thereby increasing the allowable expenditure for the eventually selected opportunity.

Example 2: For the recipient to pursue an accredited college or graduate studies program leading to a College, Masters or Doctorate Degree. This shall be limited to one course of study, not to exceed a total of six years duration (but the six years need not be sequential). Distributions shall not exceed 3% of the trust principal per year. The use of such distribution shall be unrestricted.

Example 3: We expect our child to work his or her way through college and will match any earnings on a dollar for dollar basis.

Your thoughts about supporting your child's education:

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3. Self Enrichment/Improvement. I would support my child's self enrichment/improvement goals as follows:

Example 1: For the recipient, individually or with his spouse and/or children, to pursue, on a one time basis, a strong and compelling, but not necessarily practical, dream, goal or ambition. Such distribution shall not exceed 10% of the trust principal. As no basis exists for the evaluation of the reasonableness of this disbursement, the professional trustee shall approve it without delay or question, and shall be fully indemnified for its actions relating to this disbursement

Example 2: More modest enrichment opportunities for the beneficiary or his children of a nature similar to the above. While I desire that the eligibility and qualification of such lesser opportunities be liberally construed by the trustees, they should nonetheless be an incontrovertible enrichment activity, not just a veiled attempt to elicit an otherwise unapproved disbursement. Distributions for such opportunities shall not exceed 1% of the trust's capital per year, and unused funds shall not carry forward to future years.

Example 3: Funds to take occasional self-enrichment or self-improvement classes such as cooking, yoga, photography, writing, scuba-diving, golf, and other similar classes.

Your thoughts about supporting your child's self-improvement:

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4. Family**.** I would support my child's family as follows:

Example 1: To replace lost wages and income while the child is occupied in full-time care giving for other family members such as children or other relatives and my Trustee determines in its sole discretion that such obligation reasonably precludes the child from earning a living (an example of such occupation would include parenthood). If the child was not earning an income prior to beginning care of a family member, my Trustee shall refer to current standards of the monetary worth and value of full-time homemakers in order to arrive at a reasonable rate of income.

Example 2: The costs of participation in the general activities of youth, including the costs of participation in sports, membership organizations, camps, drama and other extracurricular activities, and any other interests approved by the Trustee.

Your thoughts about supporting your child's family:

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5. Health, Medical and Disability. I would support my child's health as follows:

Example 1: In the event of the beneficiary's disability, distributions as required to preserve the quality of life that existed before the disability. These distributions should be supplemental to any otherwise applicable insurance, governmental disability payments, of which full use of which shall be made. If necessary, the professional trustee may place the beneficiary's inheritance in a supplemental needs trust as provided in Article Fourteen of this agreement.

Example 2: Payment of insurance premiums to maintain full medical coverage, unless coverage is provided through the child's employment.

Example 3: Grief counseling, physical, occupational, speech, mental, emotional or any other therapy or counseling recommended by the child's physician and approved by the Trustee.

Your thoughts about supporting your child's health needs:

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6. Home and Residence. I would support my child's purchase of a home as follows:

Example 1: A down payment not to exceed 25% of the purchase price of a first residence, provided that the purchase price is consistent with the current mortgage guidelines as it relates to the beneficiary's ability to qualify for the mortgage and to make the future mortgage payments.

Example 2: 50% towards a down payment on the purchase of a first home, that is in keeping with the standard of living to which he has been accustomed.

Example 3: The purchase of a residence or cost of building a home that is in keeping with the standard of living to which she has been accustomed.

Your thoughts about providing funds for your child's home:

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7. Transportation. I would support my child's vehicle needs as follows:

Example 1: One half of the purchase price of a safe, but used, car (child to provide the other half), if the Guardian believes the child has sufficient skill and maturity needed to operate a vehicle responsibly. The child must first be able to pay one half of the insurance coverage on the car before my Trustee may provide money for the car. The child must continue to provide one half of the cost of insuring and maintaining the car.

Example 2: The expense of providing new tires and brakes at least every five years, but more often if necessary in the discretion of my Trustee.

Your thoughts about supporting your child's transportation needs:

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8. Travel. I would support my child's travel desires as follows:

Example 1: The expenses of one unusual or exceptional travel trip once every five years for the recipient, his spouse and children, (or if not married, a traveling companion). Travel might be to an unusual locale, to attend a special event such as one of the great musical or literary festivals of the world, etc. Payment of expenses shall not exceed 2% of the trust capital. (The usual and customary annual vacations are not included in this category).

Example 2: Reasonable travel expenses to maintain family contacts and learn family history, for example, visiting our extended family in Florida.

Example 3: The cost of a foreign or domestic vacation with her siblings once very other year, to foster family ties and togetherness.

Your thoughts about supporting your child's travel desires:

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9. Wedding. I would make funds available for my child's wedding as follows:

Example 1: The reasonable expenses of his first wedding and honeymoon.

Example 2: One half of the reasonable expenses of his first wedding and honeymoon.

Example 3: The reasonable expenses of a modest first wedding, not to exceed $15,000.

Your thoughts about paying for your child's wedding:

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10. Please add anything else you think you would provide monetary support for here:

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