

CHILDREN'S TRUST

Children's Trust is the common term used for the testamentary trust provision that is commonly included in the last will and testament of parents of minor children. It is also used in many instances where the children are no longer minors, but the parents want to defer the outright receipt of assets until the child or children reach an age where they may be more mature and better able to manage the inheritance on their own.

The children's trust typically accomplishes the following:

- States the age or date that the child will gain ownership of his or her inheritance
- May require that certain conditions be met, such as graduation from college, attainment of a job or evidence that there is on substance abuse
- May provide for distribution over a period of time or upon satisfaction of specific conditions
- Name a Trustee to manage the Trust until final distribution. The Trustee, prior to final distribution, may be given discretion to use the assets as needed for things such as education, medical care, emergencies, etc.
- A Successor Trustee is usually named to serve in the event that the first Trustee cannot serve when needed