

Presumes Jane survives QPRT Term and Jane's descendants survive both Jane and John

Jane Doe Qualified Personal Residence Trust 2022

2022:
GIFT OF FLORIDA
RESIDENCE

JANE DOE QUALIFIED PERSONAL RESIDENCE TRUST (“QPRT”)

- Trust is designed to receive a single gift of a “Residence” from Jane. Assets in this trust will pass estate tax free at death assuming Jane survives the ten-year QPRT term.
- Trustee is Jane during QPRT Term. If Jane fails to serve as trustee during the QPRT term, her husband John will serve as successor trustee. If John fails or ceases to serve, an independent trustee will be selected to serve as successor trustee.
- Jane has the sole right to the use and enjoyment of the Residence during the QPRT term.
- At the end of the QPRT Term, the remaining trust continues for Jane’s children and John under the terms of the Family Trust (described below) until the death of the survivor of John and Jane.
- If Jane does not survive until the end of the QPRT term, all assets are distributed to the trustees of Jane’s Revocable Trust upon her death and included in her gross estate for estate tax purposes.

AT END OF QPRT
TERM (10 years),
IF JANE IS LIVING

FAMILY TRUST

- Jane’s husband John will serve as successor trustee. If John fails to serve, an independent trustee will serve as successor trustee.
- Trust continues for the benefit of Jane’s children and John, with distributions of income or principal in the trustee’s discretion for their health, education, support and maintenance, until the death of the survivor of John and Jane.
- John has the sole right to the use and enjoyment of the Residence after the QPRT term and during his lifetime. Upon John’s death, or upon expiration of the QPRT term if John is not then living, Jane has the right to lease the Residence from the trustee at a fair market rate of rent during her lifetime.
- Upon the death of the survivor of John and Jane, provided that Jane’s descendants survive both John and Jane, the remaining assets continue for Jane’s descendants for multiple generations, under the terms of the Trusts for Descendants (described below).
- If Jane’s descendants do not survive both John and Jane, the remaining assets will be distributed to their intestate heirs.

AT SURVIVING
SPOUSE’S DEATH

→ Remaining Assets will be added to the **GST nonexempt trust for descendants** *

TRUSTS FOR DESCENDANTS (GST EXEMPT)

- Assets sheltered by Jane’s own GST exemption at her death will be held for her children under the GST Exempt portion of this trust.
- GST exempt portion is not subject to estate tax and not subject to the general power to appoint to the creditors of the descendant’s estate at each descendant’s death; otherwise identical terms as the GST nonexempt portion.

TRUSTS FOR DESCENDANTS (GST NONEXEMPT)

- All remaining assets at the death of the survivor of John and Jane will be GST nonexempt and will be held for Jane’s children in the GST nonexempt portion of this trust.
- Jane’s children will serve as sole trustee of their separate trusts and may remove and appoint an independent trustee or co-trustee, if desirable. Other descendants may become co-trustee of their respective trust with the successor trustees named above at age 35 and may become sole trustee at age 40 with the ability to appoint a successor independent trustee.
- Income and principal from each beneficiary’s share may be distributed to such beneficiary in the trustee’s discretion for the beneficiary’s health, education, support and maintenance.
- Upon a beneficiary’s death, subject to his or her special power to appoint assets to Jane’s other descendants, his or her trust is divided into shares for his or her children and held in further trust for multiple generations under the terms of the Trusts for Descendants.
- All assets will be subject to estate tax at Jane’s children’s death. Any portion *not* covered by Jane’s children’s own GST exemption will also be taxed in the estates of their future children. The balance will be held for their children under the **GST Exempt portion** and will pass to Jane’s children’s future grandchildren estate tax free.

■ Estate Tax-Free at both your deaths, and multiple generations of grandchildren and their descendants

■ Estate Taxable at each descendant’s death

* GST exemption can be allocated after the Estate Tax Inclusion Period expires (in this case, the ten-year QPRT term)