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Sample: Letter of Wishes to Trustees

Below is a sample letter of wishes that can be sent to the trustees or to the administrators of your trust. The letter outlines your intentions for the trust purposes, guidance on distributions to the beneficiaries, and the tax characteristics of the trust. Specific wishes for distributions are outlined at the end of the letter for your trustees' consideration. Bracketed sentences are for your consideration- cross them out if they do not apply or reflect your wishes.

Name: _____

Address: _____

Date: _____

Letter of Wishes to Trustees

Dear _____:

Purposes:

It is our express intention that these trusts provide the maximum legal protection of the assets held in trust against the claims of any person. Our other purposes are:

1. _____
2. _____
3. _____

Overview on Distributions: Purpose and Scope of this Letter

This letter is to express our wishes to you when exercising discretion as to making or not making distributions to beneficiaries. We appreciate that our wishes do not bind you in any way and that you remain free to make distributions as you see fit in the exercise of your discretion. We have no understanding or agreement with any of you with respect to distributions, and this letter is not meant to establish any such understanding or agreement. The contents of this letter are **not** intended to constitute terms of any trust and are **not** intended to establish or imply any standard to guide any fiduciary in exercising discretion. **These wishes are merely for your consideration to the extent that you deem advisable under the circumstances.**

In general, it is our wish that our assets remain protected over time from the reach of any creditor or potential creditor of any descendant of ours, including, but not limited to, a spouse or former spouse. [Please consider preconditioning any distribution on the beneficiary's undertaking to enter into a valid marital property agreement or valid choice of governing marital property law that, in your judgement, would serve to protect the distribution(s) from the claims of a spouse or a former spouse.]

In administering these trusts, you would do well as trustees if you would coordinate among yourselves when a distribution request is made by a beneficiary or when one of you perceives a need to act. Furthermore, when you determine to make distributions, we would suggest that you keep in mind the tax-sensitivity of these trusts. The trust is not exempt from generation-skipping transfer tax. [Therefore, it would be tax-advantageous if distributions were made first from non-exempt trusts.]

Tax Characteristics of the Trust:

Have your accountant, attorney, or both complete this part

1. _____
2. _____
3. _____
4. _____
5. _____

Specific Guidance on Distribution of Trust Funds:

In exercising the discretion granted to the trustee(s), the trustee (s) should consider the following values, which we wish each of our descendants to emulate:

Cross out statements that do not apply and add those that should apply.

- The pursuit of higher education culminating in a four-year degree from an accredited U.S. college or university or the foreign equivalent.
- Gainful employment, including employment in the arts, academia, or the helping professions and military service.
- Care for minor, disabled, and elderly family members.
- Support of charitable organizations.
- Healthy lifestyle choices, including avoiding abuse of or dependence on alcohol, legal or illegal drugs (other than as prescribed by the beneficiary's physician).
- Fiscal responsibility and the avoidance of excessive debt.
- _____
- _____

- _____

Accordingly, our wishes are as follows:

Cross out examples that do not apply and add those that should apply.

1. If an adult beneficiary has sufficient maturity and has demonstrated prudence with financial affairs, to distribute each year up to _____ for his or her benefit.
2. To pay for any major health care costs that are not covered by insurance.
3. To pay for education at any level and related expenses such as books, supplies, room and board, whether at public or private institutions in the U.S. or abroad, and including graduate school and post-graduate studies.
4. To expend for educational [or leisure] travel.
5. To enable the beneficiary to go into business, if his or her business plan appears viable.
6. To expend for medical or psychological treatment when may be warranted by an addiction or other harmful condition.
7. To pay the costs of adequate health insurance, life insurance, disability insurance, long-term care insurance, and liability (umbrella) insurance for a beneficiary, and such other coverages as you may deem fit.
8. To pay the legal and other professional costs associated with the beneficiary's planning of his or her own estate plan, with a view to appropriate structures for the succession of wealth and wise tax planning or multiple generations.
9. _____

10. _____

In summary,

_____.

Sincerely yours,

[Your Name(s)]