

Summary of Asset Protection Strategies

STRATEGY	WHO IS THE BENEFICIARY?	WHEN IS THERE PROTECTION?	FEATURES OF STRATEGY
Insurance (property, auto, business, etc.)	You (the Client)	During Your Lifetime	First line of defense against liability. To be effective, ensure that policy limits are in line with your current assets and net worth. Also, confirm that coverage is still adequate.
Tenants by Entirety	You	During Your Lifetime	In applicable states, this type of ownership between a married couple protects the property from the creditors of one of the spouses. Depending upon your state law, this may be limited to real property.
Investing in Retirement Accounts	You	During Your Lifetime	401(k)s and IRAs (and inherited IRAs in some states) are protected from creditors in bankruptcy (with certain limitations). In addition to protecting these assets, you are also growing your retirement fund.
Domestic Asset Protection Trust (DAPT)	You or Other Named Beneficiaries	During Your Lifetime	Allows you to fund the trust with your own property, maintain an interest in the trust as a beneficiary, and protect the accounts and property in the trust from your creditors. Only allowed in states with DAPT statutes.
Spousal Lifetime Access Trust (SLAT)	Spouse	During Your Lifetime	A trust established for the benefit of your spouse. If you are sued, these funds are not available to creditors and can be used by your spouse to support the family.
Lifetime QTIP Trust	Spouse	During Your Lifetime and at Your Death	During the less wealthy spouse's lifetime, they will receive all income and possibly the principal from the trust. If the less wealthy spouse dies first, accounts and property will be included in their estate, making use of their estate tax exemption. Funds may continue for the benefit of the surviving spouse and be distributed to the wealthier spouse's chosen heirs.



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Summary of Asset Protection Strategies (Cont.)

STRATEGY	WHO IS THE BENEFICIARY?	WHEN IS THERE PROTECTION?	FEATURES OF STRATEGY
Discretionary Trust	Loved Ones	During Your Lifetime and at Your Death	Funds are held and invested by a trustee and only distributed on a discretionary basis according to your stated wishes. Can be a standalone trust but can also be incorporated with other trusts.
Credit Shelter Trust	Spouse	At Your Death	Spouse is the beneficiary of the trust, but it is not considered a part of their estate. If the surviving spouse remarries, the accounts and property cannot be commingled with those of a new spouse.
Irrevocable Life Insurance Trust	Loved Ones	At Your Death	Holds life insurance proceeds for the intended beneficiaries as opposed to distributing them outright. Can also provide liquidity for owners of illiquid assets (farms, businesses, etc.).
Standalone Retirement Trust (SRT)	Loved Ones	At Your Death	Holds an inherited IRA, or other qualified retirement account, for the benefit of a named individual or individuals. Protects the inherited account from the beneficiary's creditors because the beneficiary is only entitled to distributions according to the trust terms.
Inheritor's Trust	Loved Ones	At Your Death	Gives the beneficiary control over the accounts and property while allowing for protection from creditors to a certain extent. Beneficiary will have the power to appoint or remove the trustee and replace the trustee with a different one. The trustee has the authority to make distributions.



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