



HIGHTOWER
Trust Company

CASE STUDY

CASE STUDY

Spousal Lifetime Access Trust (SLAT)

CLIENT PROFILE: Jane and John are a married couple in their late 50s, both successful professionals with significant assets accumulated over the years that are managed by Theresa, their Hightower advisor. They have adult children from previous marriages and are concerned about providing for each other's needs while also ensuring that their children receive an inheritance. In their discussions with Theresa, they have stated that they are worried about potential estate taxes and ensuring that their assets are protected for their loved ones.

CHALLENGE: Theresa wants to help Jane and John ensure that each of them has access to sufficient assets to maintain their standard of living if one of them were to pass away. At the same time, they want to protect their combined assets for the benefit of their children from their respective previous marriages. They are concerned about estate taxes, potential creditor claims, and ensuring that their assets are distributed according to their wishes.



SOLUTION: A SPOUSAL LIFETIME ACCESS TRUST (SLAT) could be an ideal solution for Jane and John to address their concerns while achieving their estate planning goals. Their advisor Theresa determined that introducing her clients to this concept, making a referral to an estate planning attorney she trusts and naming Hightower Trust Company as trustee may meet Jane and John's needs. Below are the primary benefits of a SLAT:

01

ASSET PROTECTION: By establishing a SLAT, Jane and John can transfer assets into the trust, effectively removing them from their individual estates. This provides protection against potential creditor claims, lawsuits, and preserves assets for their intended beneficiaries.

02

SPOUSAL ACCESS: The SLAT allows one spouse (the beneficiary spouse) to have access to the trust assets during their lifetime. This helps ensure that the surviving spouse, in this case, Jane or John, has sufficient resources to maintain their lifestyle even after the death of the other spouse.

03

TAX EFFICIENCY: Transferring assets into a SLAT can help mitigate estate taxes. Since the assets are removed from the individual estates of Jane and John, they may reduce the overall taxable estate, potentially lowering the estate tax burden for their heirs.

04

INHERITANCE FOR CHILDREN: Upon the death of the beneficiary spouse, the remaining assets in the SLAT can be distributed to the children of Jane and John. This can create confidence that both the surviving spouse and the children receive their intended inheritances without the risk of the assets being depleted due to excessive taxes or creditor claims.

05

FLEXIBILITY AND CONTROL: Jane and John can tailor the SLAT to meet their specific needs and preferences. They can designate trustees to manage the trust assets and outline specific conditions for distributions to the surviving spouse and children. These conditions can help to preserve assets and prevent potential spendthrift behaviors.

RESULTS: Use of a SLAT provided Jane and John with a comprehensive solution for their complex estate planning needs. It offers asset protection, gives spousal access to resources, minimizes tax liabilities, and facilitates the inheritance of their children, all while offering flexibility and control over their assets.

CONCLUSION

SLATs provide clients with a sense of security, allowing them to support each other while preserving assets for their respective children. Hightower Trust Company specializes in supporting advisors with complex client needs, helping to ensure positive outcomes for both clients and advisors.

HIGHTOWERTRUST.COM

The individuals mentioned are fictional and do not represent actual clients.

Hightower Advisors, LLC is an SEC registered investment adviser. Securities are offered through Hightower Securities, LLC, Member FINRA/SIPC. Services provided by Hightower Trust Company. Trust and agency services are provided by Hightower Trust Company, National Association ("Hightower Trust Company, NA"). Retirement Plan Services are offered by Trust Company of Illinois ("TCI"), chartered by the Illinois Department of Financial and Professional Regulation. TCI is a wholly owned subsidiary of Hightower Holding, LLC. Certain individuals and entities in the State of Illinois may use TCI for Trust and Agency Services. Hightower Trust Company, NA is a wholly owned subsidiary of Hightower Holding, LLC, and an affiliate of Hightower Securities, LLC, Member FINRA/SIPC, and Hightower Advisors, LLC ("Adviser"), an SEC registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training. Hightower Trust Company, NA delegates investment management authority to the Adviser. The Adviser receives an investment management fee that is part of the overall trustee fee that is charged by Hightower Trust Company, NA. All securities transactions are processed through registered brokers that are monitored by Hightower Trust Company, NA. The Adviser may earn or accept "soft dollars" commissions on client related transactions in line with Adviser's policies and procedures and within accepted safe harbor uses such as research services which is believed to benefit client portfolios. Hightower Trust Company, NA, relies on Adviser for several administrative services and Adviser is reimbursed for actual costs and for services. This material is not intended or written to provide and should not be relied upon or used as a substitute for tax or legal advice. Information contained herein does not consider an individual's or entity's specific circumstances or applicable governing law, which may vary from jurisdiction to jurisdiction and be subject to change. Clients are urged to consult their tax or legal advisor for related questions. CAS00084396 08.16.24