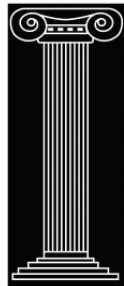


# **Planning to Benefit Non-Traditional Beneficiaries**

**Presented by:**

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# Planning to Benefit Non-Traditional Beneficiaries

Some people have “traditional” beneficiaries. In other words, the people whom they love and whom they choose to benefit in their estate plan are their spouse and children. However, sometimes, the most important people in someone’s life are other people, like unmarried domestic partners, same-sex married couples (allowed under the laws of several states), nephews and nieces, or friends.

The strategies that work for one may not work for the other, and vice versa. For example, the unlimited marital deduction, a mainstay in planning for most married couples, is not available for same-sex married couples or unmarried domestic partners. On the other hand, another strategy, the Grantor Retained Interest Trust (GRIT) is not allowed for “members of the family.” Unmarried domestic partners, same-sex spouses, and nephews and nieces are not considered to be “members of the family” under federal tax law.

With a GRIT, you put stock or cash or other property into a trust and retain the right to income for a defined period of time. At the end of the term, the beneficiaries you designated would get the money, or it would continue in trust for their benefit under terms you specified. By doing this, you get to leverage your gift. For example, with an IRS assumed 4.2% interest rate, if a 65 year old were to set up such a trust for 10 years, they would only be making a gift of half of the value put into the trust. So, a gift of \$100,000 to the trust would really only be a gift of roughly \$50,000 and at the end of the 10-year term, the beneficiaries would actually get \$216,000, assuming an 8% rate of return.

This strategy is so powerful and effective that Congress has banned this strategy for “members of the family” (except for use with the family home). However, Congress’ narrow definition of who is a “member of the family” can be used to your advantage.



Whether you have traditional or non-traditional beneficiaries, a qualified estate planning attorney can help you design a plan that provides for the people in your life.

**For more information, call (608) 273-0820.**



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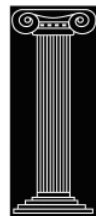
MICHELLE HAS OVER 14 YEARS EXPERIENCE IN THE AREAS OF ESTATE PLANNING AND ADMINISTRATION.

USING HER SKILLS IN THE AREAS OF TRUST ADMINISTRATION, PROBATE AND ESTATE TAX PREPARATION, ATTORNEY HERNANDEZ PROVIDES HER CLIENTS A THOUGHTFUL, EDUCATED, AND THOROUGH ANALYSIS OF THEIR UNIQUE ESTATE PLANNING NEEDS.

ATTORNEY HERNANDEZ IS AN ACTIVE MEMBER OF THE AMERICAN ACADEMY OF ESTATE PLANNING ATTORNEYS AND THE WISCONSIN STATE BAR ASSOCIATION. ATTORNEY HERNANDEZ HAS ALSO UNDERGONE EXTENSIVE IRA TRAINING BY NATIONALLY KNOWN SPECIALIST, MR. ED SLOTT.

ATTORNEY HERNANDEZ IS FREQUENTLY CALLED UPON TO PRESENT ESTATE PLANNING SEMINARS IN SOUTH CENTRAL WISCONSIN AND IS WELL KNOWN FOR HER ESTATE PLANNING WORK BY LOCAL FINANCIAL PLANNERS AND PROMINENT COMMUNITY ACCOUNTING FIRMS.

MICHELLE'S LEGAL PRACTICE FOCUSES IN ESTATE PLANNING, PROBATE/TRUST ADMINISTRATION, ESTATE TAX AVOIDANCE PLANNING, BUSINESS AND CORPORATE MATTERS, AND REAL ESTATE.



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