The 4 Things You Need to Know About A Nevada Asset Protection Trust

1. A Nevada asset protection trust (self-settled spendthrift trust) is an irrevocable trust in which the grantor may also be a permissible beneficiary. Two years after the Grantor contributes a portion of his/her assets to the Nevada asset protection trust, the contributed assets should be protected from the Grantor's creditors. The Nevada asset protection trust is a powerful planning technique and may be an appropriate creditor protection solution for clients in high-risk professions such as doctors, attorneys, architects, engineers, developers, and other small business owners.

2. Nevada is ranked as the #1 state for asset protection trusts for several reasons: › Nevada has one of the shortest statute of limitations period of the states that allow self-settled spendthrift trusts. As to future creditors, the transfer should be protected two years from the date of transfer to the Nevada asset protection trust. Although there is a tolling period of six months from when a potential current creditor discovers the transfer, Nevada's statue outlines ways to lock in the two-year period to apply to even potential current creditors. › Nevada is one of two states that have no exception creditors. This includes divorcing spouses. › Nevada has no state fiduciary income tax. › Charging order protection is an exclusive remedy to a Nevada LLC or LP. If you own a Nevada LLC or LP and get sued personally, the creditor cannot take ownership or control of the entity or its assets. The most the creditor could obtain is a charging order.

3. Nevada's state statute generally requires at least one trustee to be a Nevada resident or a Nevada bank or trust company.

4. Distributions must be fully discretionary by the trustee. The theory behind an asset protection trust is to provide the client with an extra layer of protection between the client and his/her future predators and creditors. We use the example of a bullet proof vest. You could get shot/sued, and it will hurt, but you will walk away. For example let's assume a client has a $5 million estate, of which $1 million of is in an asset protection trust. If the client is sued, the client could possibly lose $4 million in a judgment. However, if the statute of limitations period has expired, the client should still have the $1 million in the asset protection trust. We get calls all the time about a client who is currently being sued and wants to set up an asset protection trust. It is too late for a client to set up a Nevada asset protection trust if the client is already being sued because any transfer would be deemed a fraudulent conveyance. These trusts should be created and funded when the skies are clear. Premier Trust currently administers over 1,500 Nevada asset protection trusts. Most of our asset protection trusts come from grantors outside the state of Nevada. You can reside anywhere in the United States and benefit from a Nevada Asset Protection Trust

If you have any questions or would like any information email us at info@premiertrust.com or call us at 702-577-1777. Work with a Company You can Trust.