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Providing independent administrative trustee services to our clients all across this great nation.

Can a Nevada Asset Protection Trust Protect My Assets from Divorce?

Regardless of net worth, social stature, or occupation, everyone potentially shares the most common creditor, a divorcing spouse. Almost 50 percent of all marriages in the United States will end in divorce or separation. In fact, every 13 seconds, there is a divorce in America.¹

Wealthy clients historically have created third-party trusts to keep assets in trust for the benefit of their heirs to make sure that their hard-earned money is not subject to one of their children's potential creditors, including a divorcing spouse. These trusts can help keep wealth in the family bloodline. But what about the client that wants to protect their own personal assets from the reality that they too may once have a creditor or divorcing spouse?

Preuptial Agreements

Prenups have long been used to protect assets acquired before marriage. Any way you spin it, prenups are a business negotiation and have the potential to create animosity between partners before the marriage certificate is even signed. One could make an argument that prenups make the potential divorce much more likely. Are there other options that protect the interest of both parties while helping them avoid this uncomfortable subject?

What About a Nevada Asset Protection Trust?

Clients looking for other ways to protect assets outside of the traditional prenuptial agreement may want to consider a Nevada Asset Protection Trust. Self-Settled Spendthrift trusts, commonly referred to as Asset Protection Trusts, are a powerful estate planning tool created to protect one's assets from potential creditors during their lifetime. One can create an irrevocable trust for their own benefit, and after a seasoning period required by state law, those assets should be creditor protected.

How Does a Nevada Asset Protection Trust Work?

Separate property (assets held by an individual before marriage) can be placed in an Asset Protection Trust and protected from divorcing spouses after a period of two years in Nevada from the time the assets were transferred to the trust. While there are 17 states that recognize self-settled spendthrift trusts, not all of them are created equal. Nevada is consistently ranked as one of the top jurisdictions because of its favorable asset protection statute. We call this the "Nevada Advantage." A recent court case *Klabacka vs. Nelson* confirms the protection offered by a Nevada trust. Take a look at our white paper, *Nevada Becomes America's Safest State for Wealth Protection*, for more details regarding this case.

Contact Premier Trust, Inc.

Nevada's favorable asset protection statute makes it the top state to situs your trust. The easiest way for an out-of-state grantor to situs a trust in Nevada is to have a trustee residing in Nevada. Premier Trust, Inc. is chartered only in Nevada making the choice for a Nevada trustee that much simpler. Premier Trust makes the process of changing the situs of your current asset protection trust simple and seamless. If you are interested in a Nevada Asset Protection Trust, send us an email at info@premiertrust.com.

¹ <https://www.wf-lawyers.com/divorce-statistics/>

