



Eideard Group
GUARDIANS OF PROSPERITY

For decades, individuals and families of distinctive wealth have trusted the Eideard Group to provide its full-spectrum of family office and wealth management services to preserve and grow their financial assets.

CASE STUDY: INNOVATIVE CLIENT SERVICE

Several years before becoming one of Eideard's family office clients, Sam and his wife, Carla, acting on the advice of their estate planning counsel, decided to create and fund a Qualified Personal Residence Trust (QPRT) with their valuable seaside vacation property.

A QPRT is an irrevocable, retained-interest, term-of-years trust. Its purpose is to allow a donor to transfer, at today's value, a property that is ultimately designated for the ownership of others, while preserving for the donors the right to use it for a period certain.

The leverage of the transaction is that the current value of the gifted property is taxed to the donor at today's gift-tax rates, but once inside the trust the property's future appreciation is effectively sheltered from the donors' estate tax at death, despite the fact they retained beneficial enjoyment of the property for the trust's full term.

TIME PASSES QUICKLY: THINKING OUTSIDE-OF-THE-BOX

As the years passed, the plan worked precisely as Sam and Carla had envisioned – that is, until they recognized that the trust's term was nearing its end.

As the term approached, Sam and Carla were becoming increasingly uncomfortable over the prospect of having to relinquish title and control of the property to their children, who, they now realized, would not be able to afford it.

Concerned as to how the transaction would play-out, they asked us to review the plan with the hope of offering a suitable solution for everyone.

In a matter of weeks, we did just that...

Today, Sam and Carla continue to have access to this wonderful vacation property in exchange for nominal monetary consideration, while their children have full-control and the means to afford it. We suspect this gem will remain in the family for generations to come...

