

# NEVADA TRUSTS

If you have sophisticated estate planning and wealth transfer needs, establishing an irrevocable trust in Nevada can help you employ several strategic advantages that may not be available in other states. We will work with you to understand your goals and priorities, and build solutions to help you meet your wealth management objectives.

## LET US HELP YOU EXPLORE NEVADA'S UNIQUE ADVANTAGES

The State of Nevada promotes innovative trust laws and can offer attractive income tax advantages for high-net-worth families and individuals. As a result, if you establish an irrevocable trust (a trust that can only be modified or terminated by your beneficiary) in Nevada you may be able to employ several strategic advantages that may not be available in other states:

- **Elimination or minimization of taxes on trust assets**
- **Wealth enhancement with dynasty trusts**
- **Highest level of confidentiality**
- **Asset protection, including through a “self-settled” trust**
- **Investment flexibility**

Given the many advantages to establishing a trust in this state, Northern Trust has established a separate trust subsidiary in Las Vegas to best serve high-net-worth families and individuals who want to establish a trust in Nevada – or wish to move an existing trust to Nevada – to take advantage of these strategic benefits.

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## Why Northern Trust

- **Ranked among the Top 10 Wealth Managers in America**  
*Barron's*, 2015
- **A World's Most Ethical Company**  
*Ethisphere Institute*, 2016 - Third Consecutive Year
- **Best Private Bank**  
*Financial Times Group*, 2016

### ELIMINATION OR MINIMIZATION OF TAXES

Nevada does not impose any state income tax on income accumulated in, and capital gains realized by, an irrevocable trust. Income from a Nevada trust might not be subject to any state income tax, depending on the laws of the state where you and/or your advisors or beneficiaries reside, and whether there is source income from a state other than Nevada. Nor does Nevada tax the trust income that a trustee actually distributes to beneficiaries. In addition, Nevada does not assess any tax on the value of the intangible personal property held in trust, such as public and private securities, bonds, mutual fund shares, copyrights, patents, royalties, life insurance and annuity contracts and partnership interests.

### PRIVACY AND INVESTMENT FLEXIBILITY

Nevada courts have the option to keep all actions under seal to protect the privacy of the person creating a Nevada trust and his or her beneficiaries. Nevada law also allows trustees to determine an appropriate and prudent mix of investments while taking into account such factors as:

- The current economy
- Tax consequences
- Risks
- Expenses
- Time horizon and beneficiaries' ages
- Cash flow
- Needs of current and future beneficiaries.

### DYNASTY AND “SELF-SETTLED” TRUSTS

Unlike many states that limit the duration of a trust, Nevada will allow longer term trusts to remain in effect for up to 365 years. Assets you transfer into a dynasty trust – a type of “generation-skipping” trust – can benefit generations of your descendants without incurring gift, estate or generation-skipping transfer taxes.

Effective estate planning should include strategies for preserving and shielding your assets from creditors' claims. Nevada law allows individuals to create self-settled trusts that protect their assets – especially intangible financial assets – from claims of unforeseen creditors. This provides an alternative for those who do not wish to take on the expense, complexity and tax reporting and compliance obligations of an offshore trust in order to safeguard their assets.

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### Contact us

To discuss whether establishing a trust in Nevada is appropriate for your situation, you should consult your legal or tax advisors. We also invite you to contact us to discuss how Northern Trust can help you manage your total wealth picture. For more information, contact Kerry Hall at 702-304-6840 or visit [northerntrust.com](http://northerntrust.com).

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**LEGAL, INVESTMENT AND TAX NOTICE:** *This information is not intended to be and should not be treated as legal advice, investment advice or tax advice. Readers, including professionals, should under no circumstances rely upon this information as a substitute for their own research or for obtaining specific legal or tax advice from their own counsel.*

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