



Trusts are an important part of asset protection and [estate planning](#). A trust holds assets for the benefit of the designated beneficiaries and can be designed to protect assets from creditor claims. A trust must be established during the grantor's lifetime, but unlike a [will](#), it does not become effective only at death.

In Florida, there are many types of trusts. There are living trusts, which are established when the person creating the trust is alive. Conversely, there is a testamentary trust, which is established in a [will](#) itself and takes effect upon the grantor's death.

To go even further, each type of trust can be broken down into two (2) more types of trusts: revocable and irrevocable. Irrevocable trusts are established the same way as other types of trusts, but may not be amended or revoked except through court intervention or by specific means allowed by the trust. Once an asset or amount of money is transferred to an irrevocable trust with a designated beneficiary, these terms are final and cannot be easily changed.

A discretionary trust gives the grantor more control over how and when assets and/or funds are distributed to the designated beneficiaries and what they can be used for. This is sometimes called a spendthrift provision. Creditors may not compel a trustee to make distributions for their benefit. As a result, judgments rendered against a beneficiary would not be collectible against trust-owned assets.

A dynasty trust is a trust that continues through the succession of generations without the need for renewals. These are also protected from creditor claims if the proper provisions are included.

While the general concept of creditors is widely understood, clients often seek to ensure that an inheritance left to a child is not exposed to a later divorce. With sound [estate planning](#), family wealth can often be preserved within a trust for the benefit of only the family members you choose and not a spouse. Our team of [estate planning attorneys](#) have extensive experience assisting high-net-worth clients develop effective strategies to protect their assets, property, and businesses.