

SECURING YOUR CHILD'S FUTURE

TRUSTS FOR MINORS



[CAPITALFIRSTTRUST.COM](https://capitalfirsttrust.com)

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This is a difficult time, and we understand that the path you're walking is marked by grief, resilience, and the overwhelming responsibility of securing a child's future after the death of a parent.

Capital First Trust Company is here to stand beside you and help guide you through managing the court-awarded funds with empathy, understanding, and a commitment to the child's well-being.



TRUST FOR MINORS BASICS

A trust for your child, often called a "Minor's Trust," is used to hold and distribute funds, property, and assets to minors. They often provide instructions that the money or assets will be held in the trust until the minor reaches the age of majority, which is usually 18.

Trusts for minors are often set up after a legal settlement by parents or relatives who want to leave funds or property to a person under the age of majority. The intention is to name a trust to care for the assets until the young person is old enough to be financially responsible.

Specific ages vary state by state and case by case. Eighteen is a universal minimum because children under 18 can't legally control their property. Trusts might run into early or mid-twenties and even age 30 depending on state law, court supervision or the appropriateness of the situation.

NAVIGATING TOGETHER

We recognize the weight of your responsibility and want to assure you that you're not alone. Capital First is here to support you on this journey, providing not just financial solutions but a compassionate partnership that considers your family's unique needs.

CAPITAL FIRST'S ROLE

At Capital First, we don't see this as just a financial transaction; it's a profoundly personal journey. Our Trust Officer is dedicated to understanding your situation intimately, ensuring that the Minors Trust we create is not just a financial plan but a comprehensive solution that caters to your child's immediate and future needs.

CRAFTING A TAILORED TRUST

We'll administer a Minors Trust that goes beyond the standard frameworks. This trust is meant to be a source of stability, offering immediate support and the flexibility to adapt as your child grows and faces different phases of life. Our goal is to empower you with a plan that not only eases immediate financial burdens but also provides a roadmap for a secure and empowered future. Capital First offers FirstCare Trust Analysis, a proprietary financial model, to illustrate how different settlement plans synergize with your trust, optimizing spending habits and financial goals.

YOUR CONCERNS ADDRESSED

We understand the challenges you face as parents, and that's why we'll walk you through the importance of court oversights, such as your parental obligations and annual accountings. These measures aren't just paperwork; they're safeguards to ensure the responsible use of funds, keeping your child's well-being at the forefront.

PARENTAL SUPPORT OR OBLIGATION IN A MINOR'S TRUST

In a legal settlement or verdict, the law and the courts require parents to provide certain support to their child, known as Parental Support or Parental Obligation.

As your child's parent, you have the right to make important decisions about your child's life, including where they live, where they go to school, what sports they play, and so forth. However, you are also legally responsible for caring for and supporting your child. This Parental Support includes providing food, clothing, shelter, nurturing, caring for, and loving your child.

Capital First Trust Company is here to help you support your child. Because your child faces challenges and special needs, we can use funds in the trust to help you care for your child in areas the law allows.

TAILORED FOR YOUR CHILD'S NEEDS

Typical needs for minor's trusts often vary, particularly by age. The trust can fund health, education, and other items excluding lifestyle, maintenance, and support (food, shelter) for minors under the age of 18.

Once a beneficiary in a minor's trust reaches the age of 18, the rules may change. Health, education, lifestyle, maintenance, and support can all be funded by the trust, as this is when the responsibility of the parent or guardian may dissolve.

Some courts might raise this age above adulthood (18) to 25 or even 30 in instances where the parent or guardian is still responsible for support.

TYPES OF MINOR'S TRUSTS

MINOR'S SETTLEMENT PRESERVATION TRUSTSM

- To help protect settlement funds, a Settlement Preservation TrustSM (SPTSM) is established as an irrevocable grantor trust. The primary goal of an SPTSM is to protect the beneficiary's settlement proceeds from wasteful dissipation while allowing for financial flexibility to accommodate changes in one's financial future.
- Settlement Preservation TrustSM distributions can be adjusted to accommodate the lifestyle and needs of a minor.

MINOR'S SPECIAL NEEDS TRUST

- A Special Needs Trust (SNT) is a trust that preserves the beneficiary's eligibility for needs-based government benefits such as Medicaid and Supplemental Security Income (SSI). Assets held in the trust do not count against your eligibility for these benefit programs. There are strict rules regarding disbursements of Special Needs Trust funds. Generally, the trust will supplement the minor's government benefits, not replace them.

As you look ahead, envision a future where your child is not just **financially secure**, but **empowered** to live the life you always envisioned for them. The Minor's Trust we create together will be a testament to **your strength and dedication** as parents. With Capital First, you're not just clients; you're a part of a community that **understands and supports you** every step of the way.



FAQS

SETTLEMENT PROFESSIONALS

1 What is unique about Capital First Trust Company?

Capital First Trust Company is an independent trust company. We are not affiliated with any bank. We have decades of experience serving as the corporate trustee for settlement trusts, particularly Special Needs Trusts. We provide exceptional customer service to settlement planners and beneficiaries. As each trust is a unique document, we customize the services we provide to fit the needs of the settlement planner and beneficiary.

2 Why choose a professional trustee?

A corporate trustee provides professional, independent, and objective trust administration and management. The advantages of using an independent professional trustee are numerous. A corporate trustee assumes the legal responsibility for the proper administration of the trust. At Capital First, we have over two decades of experience in the accounting, investment, and tax-related responsibilities of being a corporate trustee. No matter the size of the trust, we are able to expertly handle all areas of settlement trust administration.

3 Can I manage the assets in the trust?

Yes. Capital First offers both traditional and Directed Trust arrangements. In a Directed Trust, the client directs the investment function to an investment advisor. If you do not wish to manage the assets in the trust, trust assets can be managed via Capital First's Model Portfolio.

4 Can the trust purchase and own SPIA/FIA/Life Insurance?

Yes. The advantage of allocating some portion of the settlement to a trust (in combination with an annuity) is that if the claimant has an unexpected need, money can be accessed from the trust while keeping the annuity payments in place. At Capital First, we are here to support your settlement plan and the purchase of a SPIA, FIA, or Life Insurance policy when the fit is right.

5 Can the trust purchase and own a home for my client?

In most cases, yes. The purchase of a home, whether in the name of the trust or not, will not cause a loss of government benefits. Capital First will support you and your client through the home purchase process. The Trust Officer will work with your client to analyze needs, budgetary concerns, and ownership considerations.

6 Can the trust purchase a vehicle for my client?

In most cases, a trust can purchase a vehicle. Providing safe and reliable transportation plays a key role in supporting a beneficiary's quality of life. We are aware of Social Security and Medicaid resource guidelines for the ownership of a vehicle. The Trust Officer assists in the process of shopping for and purchasing a vehicle by discussing what key features the vehicle needs to have, budgetary concerns, and ownership specifics.

7 When do you get involved in each case?

Capital First is uniquely designed to support the settlement planner. We work as part of your team to manage the expectations of the planner and the client. Normally, we join you at the onset of each case. Our dedicated Trust Case Managers coordinate document review with a trust attorney and participate in consultation calls with the planner and clients. The Trust Case Manager will facilitate the onboarding call with the planner, client, and trust officer.

ABOUT CAPITAL FIRST TRUST

Capital First Trust Company (“[Capital First](#)”) is an independent, South Dakota chartered trust company with its principal office located in Sioux Falls, South Dakota and offices in Milwaukee, WI and Minneapolis, MN. With roots extending back to 1984, Capital First now administers more than 2,100 trusts serviced by an experienced staff of more than 45 trust professionals.

Capital First supports families and individuals nationwide with highly personalized and attentive care in the administration of their trusts. With two decades of experience in a variety of settlement cases, from Settlement Preservation to Special Needs Trusts, Capital First is a knowledgeable and compassionate partner to have on your team, ensuring quality asset protection, while maintaining a client-focused approach.



CAPITAL FIRST ADVANTAGES

Experience in Minor's Trusts and Business Expertise

Capital First has been providing trust administration services for over 25 years, with all administrative services performed in-house, hundreds of which have been trusts for minors.

Compatibility

Capital First can receive structured annuity deposits into a Minor's Trust.

Trust Set-Up

Capital First offers a trust intake form and reviews all trust-related documents at no cost.

Flexibility

Distribution from a Minor's Trust can be adjusted depending on the beneficiary's financial situation.

Accessibility and Respect

Regardless of size, every account is assigned a dedicated Trust Officer familiar with all aspects of the account. Capital First goes to extraordinary lengths to respect the trust beneficiaries' and their families' needs and privacy.

IT'S A MATTER OF TRUST



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