



## WHAT IS A DYNASTY TRUST?

A Dynasty Trust is a trust that is designed to benefit multiple generations by continuing to hold property in trust for each generation with the assets in the trust exempt from estate tax and GST tax. The current increased gift and GST tax exemptions present an excellent opportunity to benefit grandchildren, great-grandchildren and more remote descendants by using those increased exemptions to fund a Dynasty Trust. Estate Reduction Trusts (discussed above) can be designed as Dynasty Trusts. Trusts in Florida can be designed to exist for as long as 1,000 years and, with Connecticut's recent trust law changes, trusts in Connecticut can be designed to exist for up to 800 years. Because of these extended time periods, Florida and Connecticut residents no longer have to establish Dynasty Trusts in states like Delaware in order to take advantage of longer trust terms. New York, however, still requires that trusts terminate within approximately 90 years so New York residents may want to consider establishing trusts in jurisdictions such as Connecticut, Florida or Delaware for this reason.