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Can Your Plan Survive Creditors and Courts?

Trust Provisions Control Access Without Losing Protection

Most estate plans begin with one goal: passing assets to the next generation. But that alone doesn't ensure a beneficiary's future inheritance is protected. If your child or beneficiary gets into financial trouble or faces a lawsuit, bankruptcy, or even divorce proceedings, the money you have left them may be exposed to outside forces. With the right structure and planning in place, you can legally "hide" those assets from creditors or lawsuits.

How Creditors Can Access an Inheritance

When a child or other beneficiary receives their inheritance directly into their name, the assets are then considered theirs. If they face a lawsuit after an accident or incur credit card debt, creditors and courts can seize those assets to resolve the debt. That money is also visible and available if they file for bankruptcy and can be counted as part of their property during asset division in a divorce proceeding.

The 'Cut the Check' Plan

A common but ineffective method in asset division is to divide the estate equally among surviving children or other beneficiaries. As each of those checks is cut, that money leaves the safety of the plan and goes directly into their hands. If your child ends up getting into any unexpected financial trouble, the assets can be sought out in court.

The better option is to create a trust share for each child or beneficiary under your living trust. If their inheritance is held in a trust share, that money belongs to the trust and is not accessible to creditors or the courts. It's protected and can't be sought out to resolve debts or lawsuits.

Spendthrift Provisions

Spendthrift provisions build a shield of protection over those trust shares. This clause limits your beneficiary's or their creditors' access to future assets held in the trust. This can be designed so your kids or beneficiaries have powers, ranging from broad to limited, over when and how they can withdraw their inheritance. Think of it as a spigot. Your child has the power to turn it on and withdraw money, but lawsuits, creditors, or divorce can't force them to turn it on.

As we set up these provisions, parents can place rules on their child's "bucket." It could be a provision that says if their child gets married and wants to continue having the right of withdrawal to use the money, they must get a prenuptial agreement. You can also name a trustee to oversee those trust shares. You can choose a different person for each beneficiary, or the same person can manage all of them.

Especially if you have young children, you want to select someone who can babysit that money until they reach a certain age. When our kids were young, we set it up so they could get a third of their share at age 25, another at 30, and the rest at 35. Even though they have the power to withdraw that money, it doesn't mean they should. The moment they withdraw those funds, they lose the protections.

Special Needs Protection

If you have a child or beneficiary with special needs, protection is even more important. Money in a trust share can't be counted against their eligibility for crucial disability benefits. Programs like Supplemental Security Income (SSI) are need-based, and the applicant's income and resources can't exceed a certain limit. If they receive their inheritance outright when you pass on, that money could push them over the allowed limit.

If your current estate plan simply divides and distributes assets, it may not be providing the protection to shield your loved ones from creditors or the courts. Contact Frank & Kraft to review your plan and ensure your legacy is protected for the next generation.

-Paul Kraft

THE LEGACY LOCK

A GUIDE TO PROBATE-FREE ESTATE PLANNING

The words you leave behind can matter just as much as the ones you speak in life.

Estate planning is an essential process that helps protect your loved ones and beneficiaries from confusion and legal and logistical concerns after your passing. Individual goals vary, but avoiding the expense, stress, and privacy concerns associated with a lengthy probate process is one of the most common aims of a well-structured plan. Here are five strategies that can add clarity to your documents and help keep probate off the table.

A Property Passage Plan

To help keep real estate out of probate, consider establishing a joint tenancy with your spouse or other co-owner so the property passes directly to the surviving owner. This arrangement helps reduce ownership ambiguity after your death. However, it also carries risks. If a surviving co-owner becomes incapacitated, a court may still need to appoint someone to manage that person's interests, which can introduce additional complications.

A Path to Privacy Protection

For many estate planning clients, privacy protection is a primary reason for avoiding probate. In addition to being a laborious process, probate makes a person's will a public record. Creating a trust instead of relying solely on a will can help keep those matters private while often speeding up the settlement process. Trusts can also serve a wide range of purposes, including supporting charities, offering potential tax benefits, and helping beneficiaries with special needs receive financial support without risking certain Social Security or Medicaid benefits.

Better Banking With Beneficiaries

If you want funds in a bank account to pass to someone outside of probate, establishing a pay-on-death account in advance is one of the best ways to avoid confusion about who should receive the funds. You can create a pay-on-death account by completing a form notifying your banking institution of who should have the right to access your checking and/or savings account. The individual(s) named on this form would not have access in your lifetime, and you can still withdraw funds from these accounts whenever you choose.

Life Insurance Legacy Protection

If you intend to designate a beneficiary for your life insurance, naming them in the policy rather than in your estate plan will help circumvent probate. By naming individuals instead of your estate as beneficiaries, those recipients can use the payout to help cover debts, estate taxes, and other expenses.

Wise Counsel for Wealth

Just as no two estate plans are alike, every strategy to help avoid probate should be tailored to the individual's specific needs and adhere to state regulations and exemptions. While the information in this article is intended as a guide, the best way to ensure your plan is compliant and carried out properly is to seek advice from an experienced attorney in your state. With so much depending on your plan's accuracy, it's critical to carefully consider your decisions and work with a professional who can help you avoid probate and ensure your legacy lives on in ways that align with your wishes.

TAKE A *BREAK*

S	M	V	N	R	A	P	G	G	X	H	Y	L	C	R
E	R	U	D	V	X	E	B	N	R	A	N	D	Z	S
C	P	E	S	U	V	A	N	I	I	V	G	U	P	L
I	L	F	G	I	G	R	P	L	R	L	T	M	I	R
T	E	E	G	R	C	L	S	C	M	F	I	B	S	V
S	U	A	A	D	U	A	C	Y	L	N	Z	A	X	C
L	Q	Q	M	W	F	B	T	C	S	H	L	V	S	I
O	E	S	W	E	X	L	D	E	E	G	U	F	E	R
S	Z	H	C	A	E	B	R	K	W	N	P	G	V	X
J	U	N	E	T	E	E	N	T	H	R	J	E	H	P
N	P	I	V	U	H	E	V	A	I	F	P	M	U	S
S	B	H	Y	T	U	O	V	D	A	V	M	E	R	K
U	R	N	A	W	A	T	E	R	S	K	I	C	S	A
M	M	F	W	Q	O	H	W	D	L	Q	U	A	E	F
B	O	I	R	P	X	Y	Z	L	P	F	K	L	F	R

BEACH
BURGERS
CYCLING
FATHER
JUNETEENTH
MUSIC
PEARL
PRIDE
REFUGEE
SAILING
SOLSTICE
WATERSKI

Grilled Whole Chicken and Vegetables

Ingredients

- 1 whole chicken
- 1 lemon, halved
- 2 tsp onion powder
- Salt and pepper, to taste
- Extra-virgin olive oil
- 3 bell peppers, quartered
- 1 zucchini, sliced
- 1 summer squash, sliced
- 2 red onions, quartered

Directions

1. Turn the grill on high heat.
2. Using kitchen shears, cut along both sides of the chicken's backbone and remove it.
3. Turn the chicken over on a baking sheet and press it flat.
4. Squeeze the lemon over the chicken and season with onion powder, salt, and pepper.
5. Brush the chicken and grill grates with olive oil.
6. Place the chicken skin-side down onto the grill.
7. Grill for 12–15 minutes until charred. Flip the chicken and grill for 25–30 minutes. Flip it again and let it cook fully before removing from the grill and letting it rest.
8. Season the vegetables with salt and pepper, then brush them with olive oil.
9. Grill the vegetables for 6–7 minutes, until tender. Enjoy!

Battles, Bandits, and Brave Deceptions

Revolutionary War Revelations

When most history buffs reflect on the Revolutionary War, they often think of cowboys, submariners, and gender-bending colonists … *right*?

Beneath the popular narrative of the Revolutionary War lies a slew of surprising facts that add color to what most citizens know and understand about this pivotal moment in American history. Here are a few tales from the battlefield (and below it) that prove truth is always stranger than fiction (or at least what we learned in school).

The Lawless Looting of the Colonial Countryside

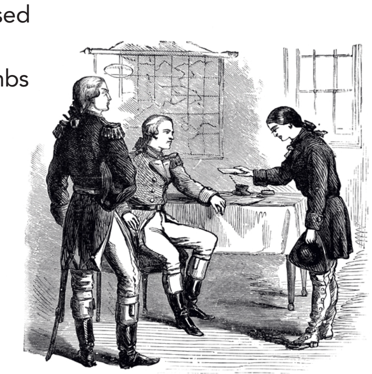
Long before John Wayne personified American grit, cowboy culture played a significant role in the British military. In Westchester County, New York, a team of cattlemen-turned-bandits led by British loyalist Oliver De Lancey aided English forces by robbing colonists' farms for supplies. In addition to causing mayhem on farmlands, De Lancey's criminal crew became embroiled in a fierce rivalry with a band of cowboys from New Jersey, the Skinners, in a race to surpass each other's plundering.

Democracy's Disguised Defender

In 1782, a 22-year-old man named Robert Shurtleff decided to join the effort to oppose British rule by serving as a scout for the colonists in New York. The Plymouth, Massachusetts, native served the cause well before an unexpected illness forced him into a hospital in Pennsylvania the following year. Once under physicians' care, they discovered that Robert Shurtleff was actually a young woman named Deborah Sampson. The former teacher had disguised herself as a man to serve in the military, successfully hiding her true identity for several months. After receiving an honorable discharge and being awarded a military pension, she chose to live a quieter life on a farm in Massachusetts, where she raised a family and left behind her wartime persona.

The Turtle vs. the Titan

As the Royal Navy grew stronger during the war, a Connecticut-based inventor named David Bushnell created a one-person vessel designed to sneak past British blockades. Funded by George Washington and named the "Turtle," the small, submersible ship was supposed to enable colonists to enter enemy waters and plant bombs undetected. Unfortunately, design issues plagued the "Turtle," resulting in limited visibility and oxygen levels, so they promptly retired it. Despite the ship's failure, it served as the rudimentary inspiration for modern submarines.



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INSIDE *THIS ISSUE*

1 Giving With Guardrails

2 Keep Assets Clear of Courts

3 Grilled Whole Chicken and Vegetables

Facts Beyond the History Books

4 Love, Legacy, and the Law

COUPLES IN CONTROL

ESTATE PROTECTIONS FOR UNWED PARTNERS

While it's difficult to say goodbye to a loved one under *any* circumstance, the loss can be even more upsetting when an improperly devised estate plan puts the deceased's legacy and wishes at risk. This dilemma is especially common among unmarried partners who are left without legal standing over their significant other's estate upon their passing. Fortunately, there are a host of ways to protect an unmarried partner from complications if you pass away or become incapacitated.

First and foremost, crafting an estate plan is essential to providing for anyone in your life. If you don't have one in place, state law dictates that your assets will be distributed to your closest relatives. If you don't want that, you must create a plan that states your wishes clearly, including instructions specifying who will receive particular assets. Additionally, a power of attorney can be drafted to provide clear directives for others, including your unmarried partner, to follow if you become incapacitated and are unable to make your own medical and logistical decisions.

Through health care and durable powers of attorney, you can assign your partner the authority to make critical decisions on your behalf, regardless of marital status. This arrangement is also beneficial if an unmarried partner maintains a shared mortgage or handles other expenses in your absence without having to argue for this authority in court. Additionally, holding joint ownership of certain assets (such as a home) can make it easier for your partner to inherit them.

This is only a *general* overview of some of the most common solutions to estate planning issues involving unmarried partners. The best path is to seek guidance from an experienced estate planning attorney in your state for a more comprehensive view of your options, particularly if you and your partner have children.