



You've done a careful job of building wealth and you've put meticulous measures in place to preserve it. You've chosen money managers carefully and checked their progress. What will happen when heirs receive the assets?

For many affluent families, a great deal of emphasis has been placed on the selection of investments and the stewardship of hard-earned assets. This is the traditional focus of wealth planning and management – so much so, that we forget that our sons and daughters and grandchildren will one day have full control over the selection of advisors *and* the selection of investment vehicles. If we plan for continuity of management now, we can help ensure that they don't wind up scrambling to make decisions when crisis hits.

**Protected assets**

Much of planning surrounds putting assets in trust to shield them from creditors, bankruptcy or divorce. If heirs access the wrong pools of wealth, they can inadvertently dissolve these protection mechanisms. Timing is also key. Even adult heirs may need some education regarding when to take distributions from retirement plans and other pools. A typical reaction to inheritance – even for financially prudent heirs – is to take lump sum distributions, thereby losing substantial tax advantages.

Even surviving spouses can benefit from some pre-transition education about why certain vehicles are in place and where to draw upon funds for various purposes.



**Succession planning for managed assets**

In order for your vision and its ensuing strategies to carry forward into future generations, why not introduce your heirs to your full team of advisors now? Explain the selections of people and vehicles. Help them understand why you've been conservative or aggressive. Tell about mistakes you've made and how you've overcome them,

more carefully stewarding assets as a result. Consider conducting a series of family get-togethers with adult children and even grandchildren, once they reach a certain age. Introduce them to your advisors and your decision-making processes. Help them see firsthand why you've done so well and encourage them to learn the ropes early on.



*If you have any questions about this, please give us a call.*

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