

# SAMPLE DOCUMENT

## CRUMMEY NOTICES

— For Use by Legal Counsel Only. Not for use by Financial Representatives with the public. —

*The form trusts do not require the Trustee to give notice of withdrawal rights to beneficiaries, as written notice does not seem to be required under the law. Whether notice is or is not required, it is usually prudent to notify beneficiaries of withdrawal rights as soon as a gift is made to the trust. Sample notices that may be used for minor and adult beneficiaries are located after Schedule A of the Trust Agreement.*

*For a minor beneficiary, the Notice may read as follows:*

If a beneficiary lacks legal capacity, such beneficiary's notice shall be directed to his or her legal guardian, any other person who may act in such beneficiary's behalf under state law (other than the Grantor), or any other disinterested person selected by the Trustees.

*"Re: The [Name of Trust]*

*Dear [Name of Guardian]:*

*As guardian of [Name of Beneficiary], a beneficiary under the above referenced trust, you are notified that on [Date of Gift] a gift was made to the trust. This gift created in [Name of Beneficiary] a withdrawal right in the amount of \$\_\_\_\_\_, which you can exercise on behalf of [Name of Beneficiary]. [Option 1- Hanging Power: This right to withdraw assets from the trust is a continuing right but shall, on December 31 of each calendar year, be reduced by the greater of (a) Five Thousand Dollars (\$5,000) or (b) five percent (5%) of the then value of the Trust estate.] [Option 2- Power of Appointment: This withdrawal right can be exercised by your delivery to me on or before the expiration date set forth below, a letter stating your intention to make such withdrawal on behalf of [Name of Beneficiary]. If you do not want to make a withdrawal, this right will expire on [Date of Expiration].]*

*Sincerely,  
[Name of Trustee]*

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This sample document is intended only as guidance for the client's own legal counsel. The document is general in nature and does not reflect the specific circumstances of any individual or situation. The document does not constitute tax or legal advice and cannot be used to avoid any penalties that may be imposed on a taxpayer. It is intended that the client's legal counsel will modify the document where necessary to satisfy the client's objectives and the requirements of any applicable federal, state or local law. Northwestern Mutual does not guarantee the effectiveness of this document and is not responsible for any tax or legal consequences resulting from use.

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*For an adult beneficiary, the notice could read:*

*“Re: The [Name of Trust]*

*Dear [Name of Beneficiary]:*

*As a beneficiary under the above referenced trust, you are notified that on [Date of Gift] a gift was made to the trust. This gift created in you a withdrawal right in the amount of \$\_\_\_\_\_.*

*[Option 1- Hanging Power: This right to withdraw assets from the trust is a continuing right but shall, on December 31 of each calendar year, be reduced by the greater of (a) Five Thousand Dollars (\$5,000) or (b) five percent (5%) of the then value of the Trust estate.]*

*[Option 2- Power of Appointment: This withdrawal right can be exercised by your delivery to me on or before the expiration date set forth below, a letter stating your intention to make such withdrawal. If you do not want to make a withdrawal, this right will expire on [Date of Expiration].]*

*Sincerely,  
[Name of Trustee]”*

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