Accounting for an Interest in a Trust

General Rule. If you or a member of your immediate family[1] is the beneficiary of a trust, calculate the present value of your immediate family's interest in the trust's securities and its Wisconsin real estate. If your immediate family's interest in the securities or real estate would exceed the reporting threshold if you held them directly (e.g., stock worth $5,000 or more in one company), list the appropriate information on your Statement; otherwise, don't.

Sole Beneficiary. If you or a member of your immediate family is the sole beneficiary of a trust, treat the trust's assets just as if you held them directly.

Proportional Interest. If you or a member of your immediate family has a readily determinable proportional interest in a trust (e.g., one-half, one-third, one-tenth), treat that proportion of the trust's assets as if you held them directly.

> EXAMPLE: If you are one of 3 equal beneficiaries of a trust, complete your Statement as if you own directly one-third of each of the trust's assets. Because you list securities on your Statement only if you have invested $5,000 or more in one business, you would list information about a company only if the trust had $15,000 or more of the company's securities (15,000 x 1/3 = 5,000).

Special Treatment of Minor Real Estate Interests. Whenever your or your immediate family's proportional interest in a real estate parcel is less than 10% of the ownership, ignore that parcel for purposes of the Statement and list on the Statement only those remaining parcels of real estate in which you or a member of your immediate family has an interest of $5,000 or more.

Life Interest. If you are the beneficiary of a trust during your lifetime with provision for the trust's assets to pass to another after your death, you may either:

a. Approximate Calculation. Treat the trust's securities and Wisconsin real estate as if you held them directly (This is simple but may result in your including on your Statement more information than the law requires); or

b. Actuarial Method. Use standard actuarial and accounting procedures to calculate the present value of your interest in the trust (i.e., a fair amount of cash to give you today to give up all your claim to the trust), divide your interest's value by the value of the entire trust, multiply that quotient by the value of the trust's securities and Wisconsin real estate, treat that share of the securities and real estate as if held directly, and list information on your Statement only if your interest is reportable.

Remainder Interest. If a beneficial interest in a trust is to pass to you on the death of another, you may either:

a. Approximate Method. Treat the trust's securities and Wisconsin real estate that will pass to you as if you held them now directly (This is simple but may result in your including on your Statement more information than the law requires); or

[1] "Immediate family" means your spouse, and any child, step-child, parent, or parent-in-law who receives more than one-half of his or her support from you or from whom you receive more than one-half of your support.

b. Actuarial Method. Use standard actuarial and accounting procedures to calculate the present value of the trust's securities and Wisconsin real estate that will pass to you (i.e., a fair amount of cash to give you today to give up your claim to those assets now held by the trust) and list on your Statement the information that is reportable.

EXAMPLES: When H died, he left a trust for the benefit of W as long as she lives. On W's death, the trust's assets will be distributed equally among 3 children.

Life Interest. If the Statement is being completed for W, either (a) treat the securities and the Wisconsin real estate held by the trust as if W owned them directly and either report them or not depending on their value, or (b) using actuarial tables and standard accounting procedures, calculate the present value of W's interest in the trust (e.g., $100,000), calculate the present value of the trust (e.g., $500,000), divide the value of W's interest by the value of the entire trust ($100,000/$500,000 or 20%) and multiply this percentage by each of the trust's assets to determine which securities or real estate interests are reportable.

Remainder Interest. If the Statement is being completed for one of W's children, the child may either (a) treat the securities and Wisconsin real estate held that will pass to the child as if the child now owned them directly and either report them or not depending on their value, or (b) using actuarial tables and standard accounting procedures, calculate the present value of the securities and Wisconsin real estate that will pass to him or her.