

Mother is an 87200 filer and, along with her husband, has a life estate for the shorter life in a trust, remainder to her children. What assets of the trust must the mother disclose?

Section 82029 provides:

Immediate Family. "Immediate family" means the spouse and dependent children. Whenever disclosure of investments or interests in real property is required by this title, investments and interest in real property of members of the immediate family shall also be disclosed.

In addition, Section 82034 provides that an investment of an individual includes a pro rata share of investments of any trust in which the individual or spouse owns directly, indirectly or beneficially a ten percent (10%) interest or greater. For the purpose of disclosure under the Political Reform Act, both the life estate and the remainder are viewed as one hundred percent ownership interests. In the instant case, both the mother and her spouse each own a fifty percent (50%) interest which is a one hundred percent (100%) interest pursuant to Section 82034 <sup>and 82029</sup>. Accordingly, the mother must disclose all investments of the trust of one thousand dollars (\$1,000.00) or more. Pursuant to Section 82029, the mother would have to reveal all of the investments of the trust by virtue of her children's one hundred percent (100%) remainder interest even if she and her husband had no interest in the life estate. However, in terms of reporting income, she must only report her fifty percent (50%) separate property share pursuant to Section 82030.

Instead of remainder to the children assume that there are three remaindermen, none of whom is related to Mother. Assume further that each of the remaindermen has a one-third remainder interest in

the trust. Since the remainder interest is viewed as a one hundred percent (100%) ownership interest in the trust, each remainderman would have a 33% interest in the trust. Accordingly, a remainderman who was an official would be required to disclose all investments held by the trust of \$3,000 or more.

The above calculations would remain constant regardless of whether the trust was revocable or irrevocable.