

DISTRIBUTION MODELS

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HOW YOU LEAVE PROPERTY TO YOUR DESCENDANTS

DISTRIBUTION MODELS

A distribution model or method determines how your property is left to your descendants. As will be seen from the examples below, the models can differ depending on who is alive in the distribution chain after the grantor's death.

This paper will discuss the three most popular distribution models:

- Per Stirpes;
- Per Capita; and
- By Representation.

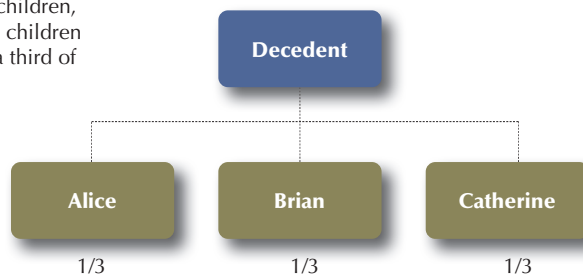
PER STIRPES

In the per stirpes (meaning “by roots” or “by branch” in Latin) distribution method, the descendants' shares are determined by the number of the decedent's direct descendants with living children (each child is a “stirp”). The descendants of a predeceased beneficiary will take a share equal to what the predeceased beneficiary would have taken if they were alive at the time of the decedent's death.

This is best understood with a couple examples.

Per Stirpes Example 1

In the following example, Decedent gives her estate in equal shares to her children, Alice, Brian, and Catherine. If all children survive Decedent, each will get a third of the estate.

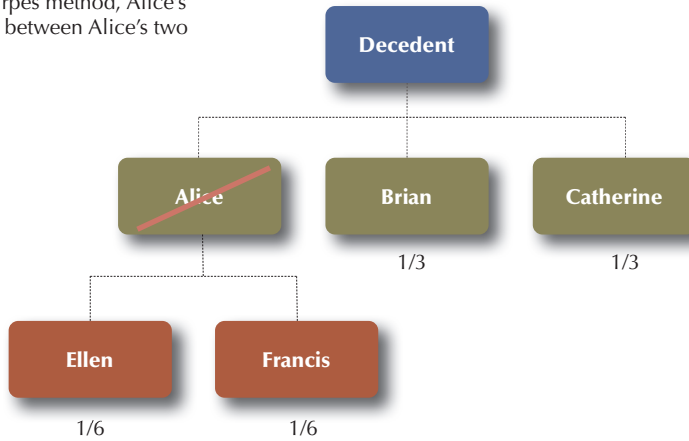


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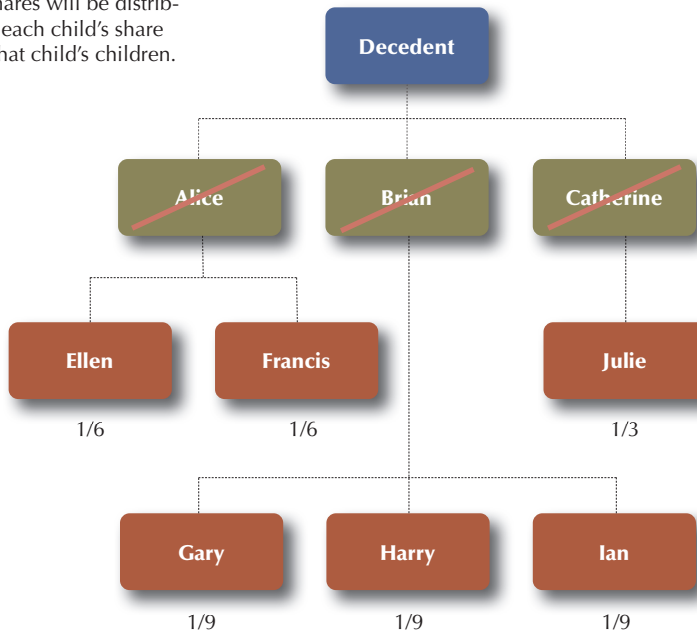
Per Stirpes Example 2

If instead Alice predeceases Decedent, then under the per stirpes method, Alice's share divides equally between Alice's two children.



Per Stirpes Example 3

If all three of Decedent's children predecease her, then the shares will be distributed as follows, with each child's share dividing equally for that child's children.



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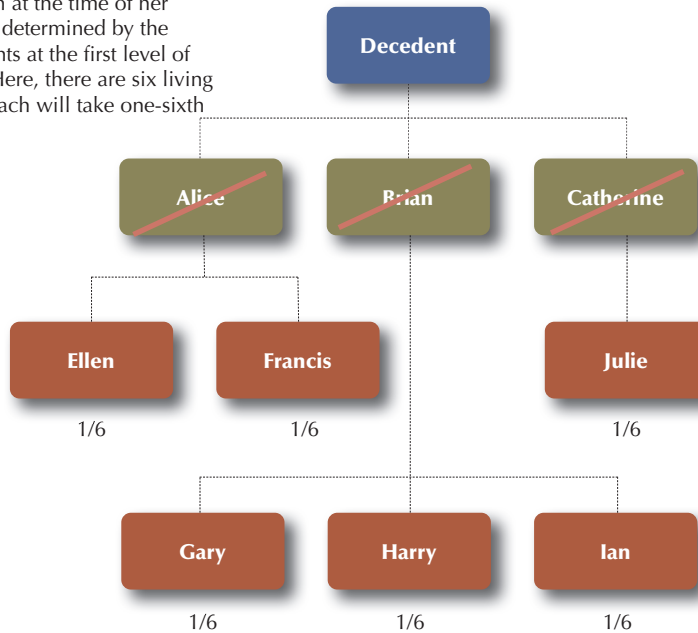
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PER CAPITA

In the per capita (meaning “by headcount” or “by total number of individuals”) distribution method, shares are determined by the number of descendants who are living in an identified group.

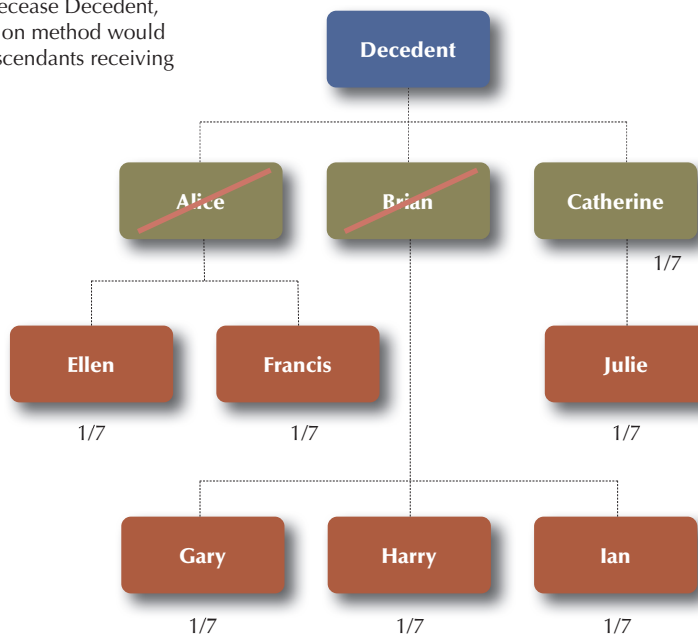
Per Capita Example 1

Taking the third scenario, where Decedent has no living children at the time of her death, the shares are determined by the number of descendants at the first level of living descendants. Here, there are six living grandchildren, and each will take one-sixth of the estate



Per Capita Example 2

If Catherine survives Decedent, but both Alice and Brian predecease Decedent, a per capita distribution method would result in all living descendants receiving equal shares.



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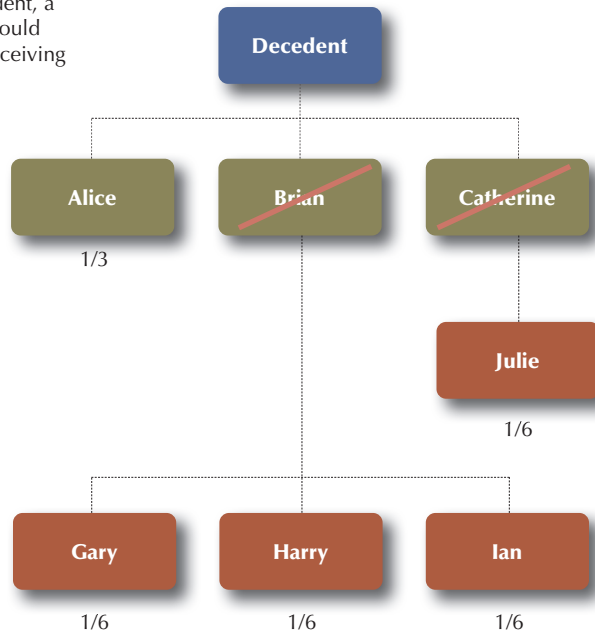
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PER CAPITA AT EACH GENERATION

The per capita at each generation method of distribution provides for the number of shares to be determined by the number of living descendants at each level.

Per Capita at Each Generation Example

If Alice survives Decedent, but both Brian and Catherine predecease Decedent, a per capita distribution method would result in all living descendants receiving equal shares.



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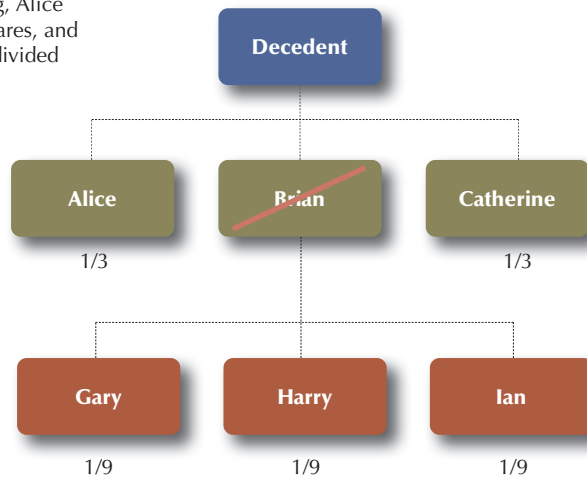
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BY REPRESENTATION

In the “by representation” method of distribution, shares are determined by the number of descendants at the first level with living descendants.

By Representation Example

If Brian predeceases Decedent, but Alice and Catherine are both still living, Alice and Catherine will take equal shares, and the remaining one-third will be divided equally among Brian’s children.



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HOW YOU LEAVE PROPERTY TO YOUR DESCENDANTS

BY REPRESENTATION VS. PER STIRPES

If Decedent has no living children at the time of death, the shares are determined by the number of descendants at the first level of living descendants.

By Representation vs. Per Stirpes

Here, if Alice, Brian, and Catherine all predecease Decedent, the shares are determined at the next generation by representation. There are six living grandchildren, and each will take an identical share, one sixth, of Decedent's estate. Contrast with Per Stirpes Example 3.

