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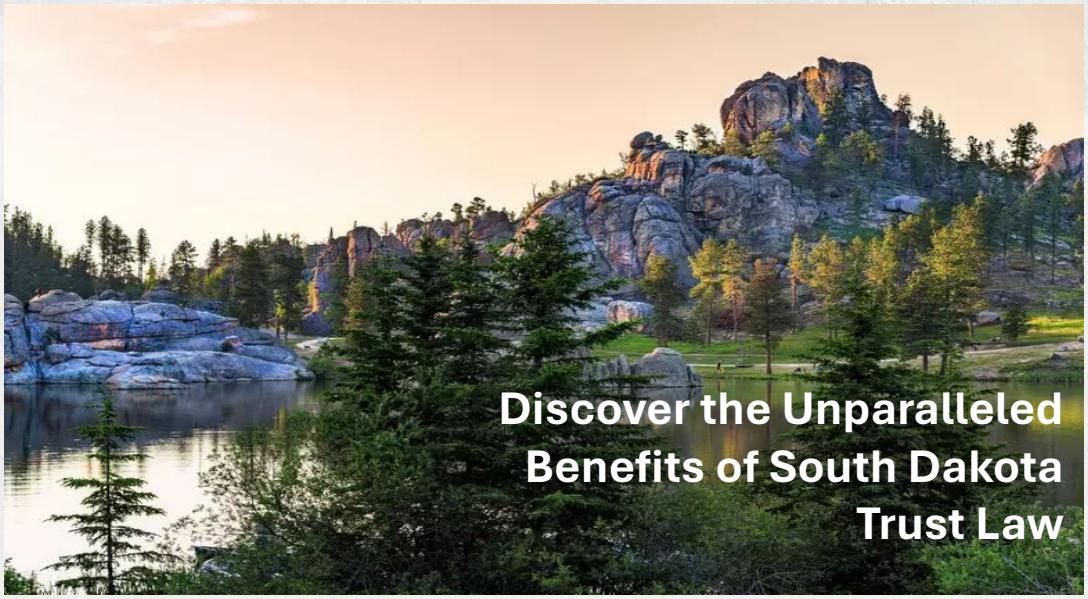
South Dakota Advantage



South Dakota has a Rich History - For decades, South Dakota has been the jurisdiction of choice for sophisticated trust administration. Since 1983, multigenerational trusts have migrated here, benefiting from continuous legal advancements designed to protect, preserve, and grow wealth. These enhancements have created an ideal environment for high-net-worth (HNW) and ultra-high-net-worth (UHNW) individuals and families.

You will be in Great Company - Prominent families and their top-tier advisors consistently choose South Dakota for long-term wealth structuring. The state collaborates with leading legal, tax, and investment professionals to continually refine its trust laws. Today, South Dakota is a top-ranked trust jurisdiction—overseeing more than $3.5 trillion in assets, according to the FDIC.

Long-term Solutions for Long-term Goals - South Dakota permits perpetual trusts, enabling income to grow state income tax-free for generations. Clients can establish legacy plans designed to last indefinitely.

Directed and Delegated Statutes - These statutes provide flexibility and continuity by allowing clients to maintain control and preserve relationships with existing advisors while benefiting from South Dakota's favorable trust environment.

Trust Protector and Decanting Statutes - These features allow trustees or protectors to amend or restate trust terms to adapt to changes in law or family circumstances—offering long-term flexibility in trust administration.

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South Dakota Advantage (Cont'd)

Best-in-Class Asset Protection - South Dakota is a leader in self-settled asset protection trusts. A 2-year look-back period, combined with creditor protections and favorable definitions of beneficiary rights, helps ensure strong safeguards against claims.

Preserving Wealth for Generations - South Dakota is home to the nation's top-ranked Dynasty Trust provisions. These allow for long-term or perpetual trusts that transfer wealth seamlessly across generations—maximizing protection and minimizing estate tax exposure.

Sophisticated, Customized Administration - Clermont Trust USA delivers high-level, conflict-free trust administration tailored to the unique needs of complex, multigenerational wealth. With no proprietary products to sell, our approach is truly independent and client-first.

State Stability and Financial Strength- South Dakota has a AAA bond rating, a constitutional ban on income taxes, a balanced budget, and a top-ranked public retirement system—offering long-term confidence and security for trust planning.

Special Purpose Entity (SPE) Protections - SPEs can be formed to shield individuals serving in key trust roles—such as investment advisors or trust protectors—from personal liability.

Unmatched Privacy Protections - South Dakota leads in trust confidentiality. Trust records can be sealed indefinitely, and the law does not mandate beneficiary notifications—ensuring discretion for families.

Lowest Insurance Premium Tax in the U.S - At just 0.08% (8 basis points), South Dakota offers one of the nation's most competitive insurance premium tax rates—resulting in cost-effective wealth protection.

Community Property Trusts for Tax Efficiency - Married couples can opt into Community Property Trusts under IRC Section 1014(b)(6), allowing a full step-up in basis at the death of the first spouse—significantly reducing capital gains tax exposure.

For further information:

For more information about our Estate Administration Services, please contact us today.

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