

**“If the grantor’s retained interest is discretionary, his creditors cannot reach the trust property, except as provided in the statute. Thus, under existing estate tax authority, the trust property would not be includible in the grantor’s gross estate.**

**Transfers to the trust without taxable gifts could be made by a grantor through annual exclusion gifts using powers of withdrawal.”**

**Practical Drafting, July 1997, p. 4891.**