

HOW LIVING TRUSTS CAN BENEFIT YOU AND YOUR LOVED ONES

What is a Living Trust?

A living trust is a legal document that, just like a will, contains your instructions for what you want to happen to your assets when you die. But, unlike a will, a living trust can avoid probate at death, control all of your assets and prevent the court from controlling your assets if you become incapacitated.

The Benefits of a Living Trust

- Avoids expensive and time-consuming probate at death.
- Prevents court control of assets at incapacity.
- Combines your assets together under one plan.
- Offers maximum privacy.
- Faster distribution of assets to beneficiaries.
- Assets can remain in trust until you want beneficiaries to inherit.
- Can reduce or eliminate estate taxes.
- Inexpensive, easy to set up and maintain.
- Can be changed or canceled at any time.
- Virtually impossible to contest.
- Protection for dependents with special needs.
- Peace of mind.

What is probate?

Probate is the legal process through which the court makes sure that when you die, your debts are paid and your assets are distributed according to your will. If you do not have a valid will, your assets are distributed according to state law.

What is so bad about probate?

It can be expensive and time consuming. Legal fees, executor fees and other costs must be paid before your assets can be fully distributed to your heirs. If you own property in other states, your

family could face multiple probates, each one according to the laws in that state. These costs can vary widely and it's better to know what they're now.

It takes time, usually nine months to two years, but often longer. During part of this time, assets are usually frozen so an accurate inventory can be taken. Nothing can be distributed or sold without court and/or executor approval. If your family needs money to live on, they must request a living allowance, which may be denied.

Your family has no privacy. Probate is a public process, so any "interested party" can see what you owned, whom you owed, who will receive your assets and when they will receive them. The process "invites" disgruntled heirs to contest your will and can expose your family to unscrupulous solicitors.

Your family has no control. The court process determines how much it will cost, how long it will take, and what information is made public.

Who should have a living trust?

Marital status, age and wealth don't really matter. If you own titled assets and want your loved ones (spouse, children or parents) to avoid court interference at your death or incapacity, you should have a living trust. You may also want to encourage other family members to think about having one so *you* won't have to deal with the courts at *their* incapacity or death.

Do I lose control of the assets in my trust?

Absolutely not. You have full control. As trustee of your trust, you can do anything that you could do before—sell and buy assets, change or even cancel your trust. That is why it's called a *revocable* living trust. You even file the same tax returns. Nothing changes but the names on the titles.