

REVOCABLE LIVING TRUSTS ...

The facts ...

A trust is an expression of what the Grantor (the person who creates the trust), wants to happen to the assets transferred to the Trustee (one who controls the trust) and the beneficiaries (those entitled to benefit from the trust). You, as Grantor, determine how the trust will be operated by the Trustee and who benefits, how and when. You can create a trust that permits you to be the Trustee and gives you the right to receive full benefits from it. This type of trust is typically referred to as a Revocable Living Trust and is often used as a substitute to your Will. It permits you to keep total control and access to all your assets during your life, and provides for the distribution of your assets to your beneficiaries at your death. We often refer to a revocable living trust as your "Book of Instructions." A well established advantage to Revocable Living Trusts is the avoidance of probate, which is required if you use a will to distribute your assets after death. Other advantages of Revocable Trusts, when property drafted, can include:

Asset protection for your spouse after your death.

Special needs planning for disabled beneficiaries.

Asset management and protection for children who are not proficient with handling money.

Protection of assets from a spouse's subsequent marriage after your death.

Disability planning in case you become disabled prior to death.

Asset protection for your children if in bad marriages or to ensure your assets do not end up with your in-laws.

Keeping your affairs private (as opposed to open for public review in probate).

No court intervention required (handled entirely by Trustee you name in accordance with your detailed instructions).

While a Revocable Living Trust has many advantages, it does not protect your assets from a nursing home costs, lawsuits, divorce, bankruptcy or other creditors.