

Living Trusts

Created while you are alive, a revocable living trust lets you control the distribution of your estate. Ownership of your property and assets are transferred into the trust. You can serve as trustee or you can appoint another to serve as trustee. If you serve as trustee, you must appoint a successor to serve as trustee upon your death.

Properly drafted and executed, a revocable living trust can avoid probate and delays upon death, as the trust owns the assets instead of the decedent. *Consult with your attorney and/or CPA before deciding a revocable living trust is the right choice for you.*

Advantages to a Living Trust Holding Title

- A husband and wife can establish a joint revocable living trust.
- While the trustor serves as a trustee or a co-trustee, a separate tax return is not required for the trust.
- The revocable living trust allows the trustee to buy, sell and finance assets just as before.
- In the event of incapacitation, management of the living trust passes to the successor trustee without the necessity of a court-appointed conservator.
- The living trust can be cancelled or changed at any time before death or incapacitation.
- Probate - including multi-state probate - is avoided when assets are held in a living trust. (Often probate is costly and takes 9 to 12 months.)
- Privacy. When a decedent dies with a living trust, the provisions of that trust usually do not become public.
- Litigation is discouraged by a living trust.
- A married couple with a living trust can reduce or eliminate federal estate taxes by setting up an Exemption Trust. While both are alive the assets remain in the revocable living trust. Upon the death of a spouse, the trust is split into two trusts: the survivors trust and an exemption trust. (For tax purposes, the surviving spouse and the exemption trust are two separate taxpayers.)