

Benefits of a Living Trust

- Avoids probate at death, including multiple probates if you own property in other states
- Prevents court control of assets at incapacity
- Brings all your assets together under *one* plan
- Provides maximum privacy
- Quicker 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 cancelled at any time
- Difficult to contest
- Prevents court control of minors' inheritances
- Can protect dependents with special needs
- Prevents unintentional disinheritance and other problems of joint ownership
- Professional management with corporate trustee
- Peace of mind

How can I find out more?

This information is from the bestselling book, *Understanding Living Trusts*,[®] by Vickie Schumacher. It's available in local book stores, or ask the professional who gave you this brochure. To speak with someone about living trusts, contact:

Understanding LIVING TRUSTS[®]

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Highlights

Brochure

How You Can Avoid Probate, Save Taxes, and More.

This publication is designed to provide an accurate general overview with regard to the subject matter covered. It is sold with the understanding that the authors and publisher are not engaged in rendering legal, accounting or other professional service. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

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How does a living trust avoid probate and prevent court control of assets at incapacity?

When you set up a living trust, you transfer assets from *your* name to the name of *your trust*, which *you* control—such as from “Bob and Sue Smith, husband and wife” to “Bob and Sue Smith, trustees under trust dated (month/day/year).”

Legally you no longer own anything (don’t panic: everything now belongs to your trust), so there is nothing for the courts to control when you die or become incapacitated. The concept is very simple, but this is what keeps you and your family out of the courts.

Do I lose control of the assets in my trust?

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

Is it hard to transfer assets into my trust?

No, and your attorney, trust officer, financial adviser and insurance agent can help. You need to change titles on real estate (in- and out-of-state) and other titled assets (stocks, CDs, bank accounts, other investments, insurance, etc.). Most living trusts also include jewelry, clothes, art, furniture, and other assets that do not have titles.

Also, beneficiary designations on some assets (like insurance) should be changed to your trust so the court can’t control them if a beneficiary is incapacitated or no longer living when you die. (IRA, 401(k), etc. can be exceptions.)

Doesn’t this take a lot of time?

It will take *some* time—but *you* can do it now, *or* you can pay the courts and attorneys to do it *for* you later. One of the benefits of a living trust is that all your assets are brought together under *one* plan. Don’t delay “funding” your trust. It can only protect assets that have been transferred into it.

	With No Will	With A Will	With A Living Trust
At Incapacity (unable to handle your financial affairs)	<i>Court Control:</i> Court appointee oversees your care, must keep detailed records, reports to court, and usually must post bond (even if appointee is your spouse). Court approves all expenses, oversees financial affairs.	<i>Court Control:</i> Same as no will.	<i>No Court Control:</i> Your successor trustee manages your financial affairs according to instructions in your trust for as long as necessary. (In some states, court intervention may be required for health care decisions.)
At Death	<i>Probate:</i> Court orders your debts paid and assets distributed according to state law.	<i>Probate:</i> Same as no will, but assets distributed per your will (if valid and any contests are unsuccessful).	<i>No Probate:</i> Debts paid and assets distributed by successor trustee according to instructions in your trust.
Court Costs, Legal & Executor Fees	<i>Death:</i> Often estimated at 3-8% of estate’s value. <i>Incapacity:</i> Impossible to estimate.	Same as no will. Costs can increase if will is contested after your death.	Minimal or no court costs. Reduced legal fees (minimal for small estates; larger/complex estates require more).
Time	<i>Death:</i> Usually 9 months to 2 years or longer before heirs inherit. <i>Incapacity:</i> Court involved until recovery or death.	Same as no will.	<i>Death:</i> Often just weeks. Larger/complex estates take longer for tax returns, asset division. <i>Incapacity:</i> No delays.
Flexibility & Control	<i>None:</i> Court processes, not your family, have control at incapacity and death. When you die, assets are distributed according to state law.	<i>Limited:</i> Same as no will except, when you die, assets are distributed according to your will (if valid and any contests are unsuccessful). You can change your will at any time.	<i>Maximum:</i> You can change/discontinue your trust at any time. Assets stay under control of your trust, even at incapacity and after your death. More difficult than a will to contest.
Privacy	<i>None:</i> Court proceedings are public record. Family can be exposed to disgruntled heirs, unscrupulous solicitors.	<i>None:</i> Same as no will.	<i>Maximum:</i> Living trusts are not public record. Your family can take care of your financial affairs privately.