Trust / Other Type	Purpose	Pros	Cons	Tax Implications
Revocable Trusts	To manage and protect assets during the grantor's lifetime and to provide a smooth transfer of assets upon the grantor's death without going through probate. The grantor retains control over the trust and can modify or revoke it at any time.	● Avoids probate ● Maintains privacy ● Flexible and can be amended ● Continues to manage assets if incapacitated	● No estate tax benefits ● Does not protect assets from creditors ● May incur legal fees to set up and maintain	● Income generated is taxed to the grantor ● No tax benefits since assets are still included in the grantor's estate for estate tax purposes
Irrevocable Trust	To remove assets from the grantor's estate, Provide asset protection, Manage and distribute assets according to the grantor's wishes	● Reduces taxable estate ● Provides asset protection from creditors ● Can provide income to beneficiaries	● Irrevocable; cannot be changed or revoked ● Loss of control over the assets ● May incur legal and administrative costs	● Assets are removed from the grantor's estate, potentially reducing estate taxes ● Trust income may be taxed at higher rates ● Transfers to the trust may be subject to gift tax
Credit Shelter Trusts (CSTs)	To maximize the use of the estate tax exemption of the first spouse to die. This trust helps to preserve the deceased spouse’s estate tax exemption, thereby reducing the overall estate tax burden for the surviving spouse and heirs.	● Estate tax savings ● Assets can grow estate tax free ● Provides for surviving spouse and children	● Irrevocable once funded ● Limited flexibility	● Assets in CST are not subject to estate tax upon the death of the surviving spouse ● Trust income is taxed to the trust beneficiaries or to the trust itself, depending on distributions
Charitable Lead Trusts (CLTs)	To provide financial support to one or more charities for a specified period, after which the remaining trust assets are transferred to non-charitable beneficiaries, such as family members. This type of trust helps reduce estate and gift taxes while fulfilling charitable intentions.	● Provides for charities during the lead term● Potentially reduces estate and gift taxes● Retains family wealth	● Irrevocable ● Complexity in administration ● Charitable beneficiaries must be carefully chosen	● Income tax deduction for present value of the charitable interest ● Trust income taxed to the trust or grantor depending on the type of CLT (grantor or non-grantor)
Charitable Remainder Trusts (CRTs)	To provide income to the grantor or other non-charitable beneficiaries for a specified period, after which the remaining trust assets are donated to a charity. This trust provides an immediate charitable income tax deduction and removes assets from the grantor’s estate.	● Provides income stream to donor or other beneficiaries● Immediate charitable income tax deduction● Removes assets from estate	● Irrevocable ● Complexity in administration ● Initial funding requirements can be high	● Donor gets income tax deduction for present value of the remainder interest ● Trust itself is generally tax-exempt, but distributions are taxable to recipients based on their character (ordinary income, capital gains, etc.)

Trust / Other Type	Purpose	Pros	Cons	Tax Implications
Spousal Lifetime Access Trusts (SLATs)	To remove assets from the grantor's taxable estate while allowing the grantor's spouse to access the trust income or principal. This trust provides estate tax benefits and can also offer financial security to the spouse.	● Removes assets from the estate● Spouse can still access trust income or principal● Potential for significant estate tax savings	● Irrevocable ● Complex to set up and administer ● Risk if spouses divorce	● Transfers to SLAT are subject to gift tax but may use lifetime exemption ● Trust income generally taxed to the trust or beneficiaries depending on distributions
Qualified Terminable Interest Property Trusts (QTIPs)	To provide income for a surviving spouse for their lifetime while ensuring that the remaining assets go to other designated beneficiaries, such as children from a previous marriage. This trust qualifies for the marital deduction, deferring estate taxes until the surviving spouse's death.	● Provides for surviving spouse● Flexibility in estate tax planning● Protects assets for children from previous marriages	● Irrevocable once funded ● Must meet specific requirements to qualify for marital deduction	● Qualifies for marital deduction, deferring estate taxes until the surviving spouse's death ● Trust income taxed to the surviving spouse during their lifetime
Conduit Trust	A conduit trust is a specific type of trust often used in estate planning, particularly to manage and distribute retirement account assets (like an IRA) to beneficiaries. The trust serves as a "conduit" by passing required minimum distributions (RMDs) or other withdrawals directly to the beneficiaries, without accumulating those funds within the trust itself. Distribution Control: It allows the trust creator (grantor) to control the timing and manner in which retirement assets are distributed to beneficiaries. Beneficiary Protection: The trust can protect the assets from creditors or poor financial management by the beneficiary.	Stretch IRA Benefits: Allows beneficiaries to take advantage of the "stretch" provisions, potentially extending the tax-deferred growth of the retirement account over the beneficiary's lifetime. Creditor Protection: Assets within the trust are protected from the beneficiary's creditors, as the trust is the owner of the assets. Control Over Distributions: Ensures that the retirement account distributions are managed according to the grantor's wishes, reducing the risk of premature depletion.	Limited Flexibility: The conduit trust must pass all distributions directly to the beneficiaries, which limits the trustee's flexibility in managing the funds. Complexity and Cost: Establishing and maintaining a conduit trust can be complex and costly, especially if the trust will manage significant assets or multiple beneficiaries. Loss of "Stretch" IRA: Due to the SECURE Act, most non-spouse beneficiaries must withdraw all assets from an inherited IRA within 10 years, reducing the ability to "stretch" the IRA.	Income Tax: Distributions from the retirement account are taxed as income to the beneficiaries when they receive them. The trust itself does not accumulate income, so it does not pay income tax on these distributions. Estate Tax: The assets within the trust may still be subject to estate taxes, depending on the size of the estate and the applicable exemption limits at the time of death. RMDs: The conduit trust must follow the RMD rules based on the life expectancy of the beneficiaries, and these distributions are passed through to them as taxable income.

Trust / Other Type	Purpose	Pros	Cons	Tax Implications
Qualified Personal Residence Trusts (QPRTs)	To transfer a personal residence to beneficiaries at a reduced gift tax value while allowing the grantor to continue living in the home for a specified term. This trust helps reduce the grantor's taxable estate while retaining use of the residence.	● Reduces taxable estate● Allows grantor to continue living in residence for term of trust● Potentially large estate tax savings	● Irrevocable ● If grantor dies before term ends, no estate tax benefit ● Grantor must pay rent to continue living in residence after term ends	● Transfer to QPRT is a taxable gift but at a discounted value ● If grantor survives the term, the residence is excluded from the estate; otherwise, it is included
Grantor Retained Annuity Trusts (GRATs)	To transfer appreciating assets to beneficiaries at a reduced gift tax cost while the grantor retains the right to receive fixed annuity payments for a specified term. This trust can significantly reduce gift and estate taxes on the transferred assets.	● Reduces gift tax on asset transfers● Allows grantor to receive fixed annuity payments● Potential for significant estate tax savings	● Irrevocable● If grantor dies during the term, little to no estate tax benefit	● Gift tax on transfer to GRAT is based on present value of remainder interest ● Annuity payments are taxable to the grantor as income
Intentionally Defective Grantor Trusts (IDGTs)	To transfer appreciating assets out of the grantor's estate while the grantor remains responsible for paying income taxes on the trust income, allowing the trust assets to grow tax-free. This trust helps reduce the grantor's taxable estate and provides asset protection.	● Removes assets from the estate● Income taxed to grantor, reducing estate● Flexibility in managing assets and distributions	● Irrevocable● Grantor pays income tax on trust income	● Income taxed to the grantor, allowing trust assets to grow tax-free ● Assets are excluded from the grantor's estate for estate tax purposes
Irrevocable Grantor Trusts (IGTs)	Similar to IDGTs, these trusts aim to remove assets from the grantor's estate while the grantor pays income taxes on the trust income. This trust provides asset protection and estate tax benefits, allowing the trust assets to appreciate outside the taxable estate.	● Provides asset protection● Removes assets from the estate● Income taxed to grantor, reducing estate	● Irrevocable ● Grantor pays income tax on trust income	● Income taxed to the grantor, allowing trust assets to grow tax-free ● Assets are excluded from the grantor's estate for estate tax purposes

Trust / Other Type	Purpose	Pros	Cons	Tax Implications
Irrevocable Life Insurance Trust (ILIT)	To remove life insurance proceeds from the grantor's estate, Provide liquidity for estate expenses, Protect insurance proceeds from creditors	● Removes life insurance proceeds from the taxable estate● Provides liquidity for estate expenses● Protects insurance proceeds from creditors● Can help equalize inheritance among heirs	● Irrevocable once established ● Cannot change beneficiaries or terms after creation ● May involve administrative costs ● Annual contributions may need to qualify for the gift tax annual exclusion	● Premium payments are considered gifts but may qualify for the annual gift tax exclusion ($17,000 per donee in 2024) ● Life insurance proceeds are not included in the grantor's taxable estate if the ILIT is properly structured ● Trust income is generally not taxable, but the trust must file its own tax return if it generates income
Revocable Living Trust	To manage and protect assets during the grantor's lifetime, To ensure a smooth transfer of assets upon the grantor's death, To avoid probate and maintain privacy. Wills take effect after your death, so they do not protect your assets if you become incapacitated. Trusts can protect your assets if you are incapacitated while still alive.	● Avoids probate, leading to a quicker and private transfer of assets ● Allows for management of assets if the grantor becomes incapacitated ● Flexible and revocable during the grantor's lifetime ● Can include detailed instructions for asset distribution and care of minor children or dependents	● Does not provide estate tax benefits ● Does not protect assets from creditors ● May incur legal fees and costs to establish and maintain ● Requires funding (transferring assets into the trust), which can be time-consuming and complex ● Some states may have an easy Probate process and no Estate Tax making the need for a living trust less	● Income generated by the trust is taxed to the grantor during their lifetime ● Assets in the trust are included in the grantor's estate for estate tax purposes ● No additional tax benefits compared to holding assets outside the trust
Fee-for-Service Plan	Provides flexibility to choose healthcare providers and services.	● Freedom to choose any doctor or hospital ● No need for referrals to see specialists ● Comprehensive coverage options	● Higher out of pocket costs ● Requires detailed record keeping ● May involve more paperwork	● Premiums and medical expenses may be deductible if they exceed a certain percentage of AGI (Adjusted Gross Income)
Will	Specifies how assets should be distributed after death and can name guardians for minor children.	● Provides clear instructions for asset distribution ● Can name guardians for children	● Subject to probate ● Becomes public record ● Can be contested	
Pour-Over Will	A pour-over will helps ensure that your residuary estate and any assets you neglected to include in your living trust will be transferred to that trust automatically after your passing (literally poured over into the trust), so your estate can be distributed the way you want.	● Ensures all assets are eventually managed by the trust ● Acts as a safety net	● Assets still go through probate ● Does not address guardianship or personal wishes	
Financial Power of Attorney	Grants someone the authority to manage your financial affairs if you become incapacitated.	● Provides financial management in case of incapacity ● Can be tailored to specific needs	● Can be misused if not given to a trustworthy person ● Ends upon death	

Trust / Other Type	Purpose	Pros	Cons	Tax Implications
Medical Power of Attorney	Grants someone the authority to make medical decisions on your behalf if you are unable to do so.	● Ensures medical decisions are made according to your wishes ● Can be tailored to specific needs	● Can be emotionally challenging for the appointed person ● Ends upon death	
Beneficiary Designation	A beneficiary designation is the act of naming the person who will inherit an asset in the event of the account owner's passing. Some common examples include life insurance policies and retirement accounts. When the account owner passes away, their assets are then transferred to the beneficiary that they designated. A Will provides instructions for all of the assets included in your estate, whereas a beneficiary designation is for a specific asset. Beneficiary Designation Takes Precedence Over A Will.	Accounts or assets with named beneficiaries usually won't go through probate, including most assets held in trusts. This includes assets, such as investment accounts with transfer on death (TOD) designations and retirement accounts (IRAs and workplace accounts). Doing so means they will likely have quicker access to the death benefit's funds.	Disadvantages can also arise if you name a minor as a beneficiary and that person is still a minor when you die. If this happens, an insurance company or retirement administrator may not have a way to handle the situation. Failing to review beneficiary choices regularly to assess whether they still meet your requirements or adjust to any changes that have occurred in your life	
Advance Health Care Directive	Combines a living will and a medical power of attorney to outline medical treatment preferences and appoint a decision-maker.	● Provides comprehensive medical instructions ● Appoints a trusted person to make decisions	● May not cover all possible scenarios ● Requires regular updates to remain current	
Living Will	Specifies your wishes regarding medical treatment and end-of-life care.	● Provides clear instructions for end of life care ● Reduces burden on family members	● Limited to specific medical situations ● Cannot appoint a decision maker	

Type of Insurance	Purpose	Pros	Cons	Tax Implications	Withdrawals
Whole Life Insurance	Provides lifetime coverage with a cash value component.	- Permanent coverage - Cash value grows tax-deferred - May pay dividends	- Higher premiums - Lower returns compared to other investments	- Death benefit is generally tax-free - Cash value grows tax-deferred	- Can borrow against cash value - Withdrawals reduce death benefit and may be taxed if exceeding premiums paid
Universal Life Insurance	Flexible premium payments and death benefit with a cash value component.	- Flexible premiums - Cash value grows tax-deferred - Adjustable death benefit	- Requires active management - Cash value growth tied to interest rates	- Death benefit is generally tax-free - Cash value grows tax-deferred	- Can withdraw or borrow from cash value - Withdrawals reduce death benefit and may incur taxes
Term Life Insurance	Provides coverage for a specific period, such as 10, 20, or 30 years.	- Lower premiums - Simple and easy to understand - Ideal for temporary needs	- No cash value - Coverage ends at the end of the term	- Death benefit is generally tax-free	- No withdrawals; only death benefit is paid if the policyholder dies during the term
Long-Term Care Insurance	Covers the cost of long-term care services, such as nursing homes or home care.	- Protects against high costs of long-term care - Can help preserve savings and assets	- Expensive premiums - May not be used if care is not needed	- Benefits received are generally tax-free - Premiums may be tax-deductible	- Benefits are paid directly to care providers or reimbursed to the policyholder
Disability Insurance	Replaces a portion of income if the policyholder becomes unable to work due to disability.	- Provides income protection - Covers a wide range of disabilities	- high premiums, especially for high coverage	- Benefits are generally tax-free if premiums are paid with after-tax dollars	- Monthly benefits are paid directly to the policyholder during the disability period
Property and Casualty Insurance	Protects against loss or damage to property, and liability for injuries or damages to others.	- Covers a wide range of risks - Essential for asset protection	- Premiums can be high, especially in high-risk areas	- Benefits received for property losses are generally not taxable - Liability payments are not taxable to the insured	- No withdrawals; claims are paid directly to cover losses or liabilities
Umbrella Insurance	Provides additional liability coverage above the limits of other policies, like auto or homeowners.	- Extends liability protection - Covers additional risks not covered by other policies	- Requires underlying policies - May be unnecessary for those with few assets	- Benefits received are generally not taxable	- No withdrawals; only provides liability coverage for claims
Variable Life Insurance	Permanent life insurance with a cash value that can be invested in various sub-accounts.	- Potential for higher cash value growth - Death benefit may increase with investment performance	- Higher risk due to investment component - Complex and higher fees	- Death benefit is generally tax-free - Cash value grows tax-deferred	- Can withdraw or borrow against cash value - Withdrawals reduce death benefit and may be taxed
Indexed Universal Life Insurance (IUL)	Permanent life insurance with cash value growth linked to a stock market index.	'- Potential for higher returns without direct market risk - Flexible premiums	- Cap on returns - Complex and higher fees	- Death benefit is generally tax-free - Cash value grows tax-deferred	- Can withdraw or borrow against cash value - Withdrawals reduce death benefit and may be taxed

Type of Insurance	Purpose	Pros	Cons	Tax Implications	Withdrawals
Permanent Cash Value Life Insurance	Provides lifetime coverage with a savings component that builds cash value.	- Permanent coverage - Cash value component - Access to cash value via loans or withdrawals	- Higher premiums - Lower returns compared to other investments - May be complex to manage	- Death benefit is generally tax-free - Cash value grows tax-deferred	- Can withdraw or borrow against cash value - Withdrawals reduce death benefit and may incur taxes if exceeding premiums paid