Thomas Legal, PLLC

TRUST-BASED ESTATE PLANNING STRATEGIES

Using revocable trusts to manage assets during life, incapacity, and after death

AGENDA

1. Introduction to Trust Planning
2. Funding and Asset Transfer
3. Distribution Planning
4. Conclusion

WHY TRUST PLANNING MATTERS

A living system, not a one-time document

- A revocable trust is an asset-management framework that works during life.
- It organizes decision-making and ownership under one coordinated structure.

Continuity when life changes

- If incapacity occurs, the trust supports seamless ongoing asset management.
- After death, it creates a clearer administration path for families.

Practical outcomes clients value

- It can reduce probate exposure by centralizing assets in the trust.
- It may preserve privacy by limiting what becomes a public court record.

Trust-Based Estate Plan Overview

Designed for You. Built for Your Legacy.

Funding Your Trust

- **Change the owner** – make the trust the owner of the asset/account.
- **Change the beneficiary** – make the trust the beneficiary of the asset/account.

Assets left in an individual's name at death will go through probate.

During Your Lifetime

Financial Power of Attorney

Allows a trusted person to manage your financial affairs if you are unable to do so.

Patient Advocate Designation / Living Will

Names someone to make health care decisions for you and outlines your medical treatment preferences.

The trust only controls assets that are funded into it.

Funding is your ongoing responsibility.

After Your Lifetime

Pour-Over Will

Captures any assets not in the trust at death and "pours" them into the trust so they can be distributed according to your wishes.

Guardians & Personal Representatives

Names the people you trust to care for your minor children and to administer your estate if needed.

Funeral Representative Designation

Names someone to make arrangements that reflect your wishes and ease the burden on your loved ones.

Three Main Trust Roles

Grantor

The person (or people) who creates the trust and funds it with assets.

Trustee

The person (or people) who manages the trust assets according to the trust terms.

Beneficiary

The person (or people) who receives benefits from the trust.

CORE PLAN COMPONENTS

Revocable trust

Sets rules for management during life, incapacity, and after death.

Pour-over will

Sweeps leftover assets through probate and into the trust at death, as a safety net.

Decision-making documents

Durable power of attorney and health directives cover non-trust actions.

Funding paperwork

Deeds and assignments align asset ownership with the overall plan.

TRUST FUNDING BASICS

What “funding” really does

- It aligns ownership and beneficiary designations with the trust’s instructions.
- It converts the trust from paper into an operating asset-management system.

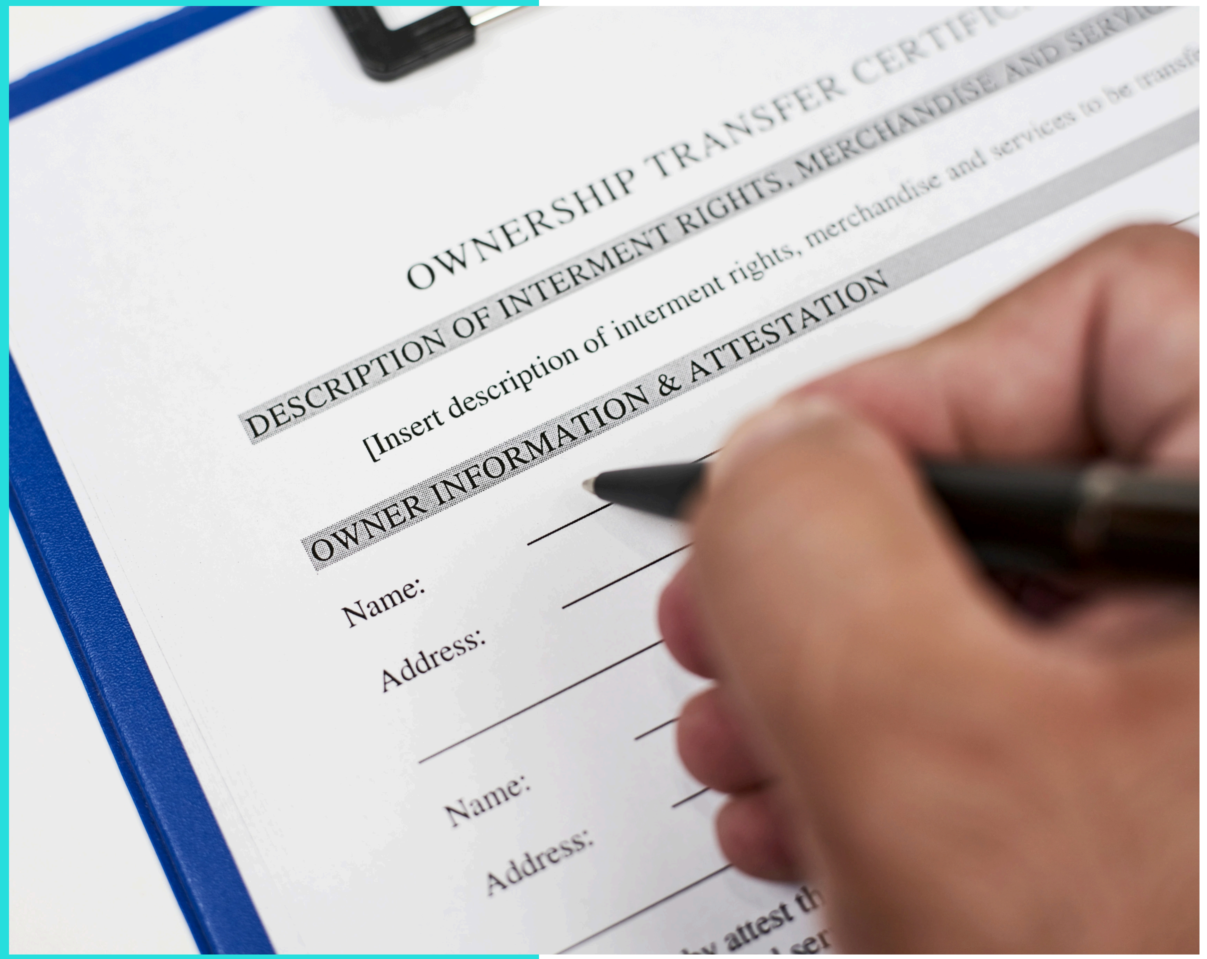
Implementation is asset-specific

- Each asset class needs the right transfer method and supporting paperwork.

Why conflicts break the plan

- Unfunded assets may still trigger probate or separate transfer procedures.

BENEFICIARY COORDINATION



Beneficiary designations drive transfer

- Insurance and retirement accounts usually pass by contract, not retitling.
- Confirm primary and contingent beneficiaries match the trust plan.

Tax and planning objectives first

- Use tax posture and timing goals to select beneficiary structure.
- Avoid accidental results from outdated forms or generic defaults.

Coordinate to prevent plan gaps

- Check designations against the trust's distribution terms and trustees.
- Treat this as an implementation checklist, not a drafting footnote.

KEEP VEHICLES OUT

Default position

- As a practice rule, keep cars and trucks titled personally.
- Trust titling rarely improves administration in a revocable plan.

Insurance and liability clarity

- Coverage can get messy when owner and named insured differ.
- A simple policy structure reduces avoidable continuity-of-coverage disputes.

STAGED DISTRIBUTION PLAN

Build flexibility first

- Authorize trustee distributions for HEMS needs at any age.
- Keep access need-based, not tied to a single birthday.

Stage control over time

- Use clear milestones, such as one-half at 25.
- Release the remainder at 30.

Balance protection and autonomy

- Reduce the risk of immediate, unrestricted spending.
- Still support major opportunities when the standard is satisfied.

USING HEMS

HEMS as the distribution rule

- HEMS sets an objective trustee standard for beneficiary support decisions.
- It provides flexibility while still anchoring distributions to real needs.

Everyday needs it can cover

- Health can include medical care, dental work, therapy, and counseling.
- Education can cover tuition, training programs, books, and related costs.
- Maintenance and support can include housing and ordinary living expenses.

Prudent opportunity spending

- Many trusts also allow prudent support for a first home purchase.
- They can authorize seed funding for a business when justified.

PLAN, FUND, PROTECT

Design that holds up

- Treat the trust as a management system for life, incapacity, and death.
- Align roles and documents so decision-making authority is uninterrupted.

Execution that makes it real

- Funding is the operational bridge between drafting and real-world outcomes.
- Confirm titles and designations match the plan before problems arise.

Outcomes families feel

- Reduce administrative friction while preserving control and privacy.
- Give trustees a clear roadmap to protect assets and people.