



Estate Planning Wills, Trusts, Probate



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Estate Planning

An estate is all the money and property owned by a person, especially at the time of death. Estates include furniture, jewelry, cars, bank accounts, businesses, properties, and real estate that you own. Wills and trusts are tools by which an estate owner can secure his/her estate after death. However, a complete estate planning includes many financial considerations in addition to wills and trusts.

Wills

A will accomplishes two primary goals:

- 1) Ensure a specific person, people, or entity receives your estate after your death

- 2) Provides instructions about how, what, and when should actions happen after your death regarding your estate, the care of children, or other concerns

A will is a written document that directs the disposition of a person's property after death. Anyone who is at least 18 years old and of sound mind can make and sign his/her will. In Maryland, the will must be signed, and the signature must be witnessed by two witness who also sign the will (notary not required).

Wills typically include language about:

- disposing of property
- guardianship of children
- funeral arrangements
- beneficiary designations
- inheritance

A will is subject to probate, as probate is the process by which validity of a will is determined and the distribution of the will is supervised. Wills pass through probate court, which means a court essentially oversees the administration of the will. A will becomes a part of public record.

Trusts

A trust is an arrangement under which one person called a trustee holds property for another person called a beneficiary. You can be both the trustee and the beneficiary, through an arrangement called a living trust. A living trust is simply a trust you create while you are alive, rather than at death by the terms you created in a will.

Trusts can be both revocable and irrevocable. A revocable trust is one that can be altered, amended, or revoked at any time by the creator. An irrevocable trust is one that cannot be changed by the creator.

A trust instrument is one of the most flexible legal tools available. A trust can run a business, provide for

minors, pay medical bills, create a scholarship fund, provide for retirement/education/marriage/divorce, and hold real estate or any other type of property.

If you hold your property in a living trust, your survivors won't have to go through probate court, a time-consuming and expensive process.

Wills vs. Trusts

There are many differences between wills and trusts. The chart below lists a few of them.

Wills	Trusts
<ul style="list-style-type: none">• Goes into effect at death• Directs who receives property at death• Covers property in your name at death• Can name guardian for children• Can name an executor• Probate• Public Record	<ul style="list-style-type: none">• Effective the moment created• Can distribute property during lifetime• Covers property transferred into trust• Cannot name guardian for children• Cannot name an executor• Bypass Probate• Can Remain Private

Evaluating your legacy and establishing safeguards for your estate is rewarding but takes time, money and energy! As there is endless minutia with estate laws in Maryland, it is advisable to seek help of a Wills and Estates attorney for guidance to create a will or trust and review of your current estate plan.

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