



The Legacy Paralegal<sup>tm</sup>

YOUR LEGACY PROTECTION PARTNER

## **DO I NEED A TRUST OR WILL-BASED ESTATE PLAN?**

You are unique, much like a fingerprint; no two clients are alike. To help you determine what Estate Plan may best suit your individual needs, answer the following questions. Then, score your answer sheet using the scorecard on the following page.

## Do I need a Trust or Will-Based Estate Plan?

**Step One: Answer the following questions to determine the Estate Plan best suited for you.**

1. Do you own a home?
2. Do you have minor children?
3. Do you own a business?
4. Are most of your assets Qualified? (Retirement Accounts- 401ks, IRAs)
5. Would you like to plan for incapacitation and disability in your lifetime?
6. Would you like to avoid probate?
7. Would you like to control when your beneficiaries receive assets?  
(i.e. At a specific age or after reaching an attained goal.)

Question #	Yes	No	I Don't Know
1			**
2			**
3			**
4			
5			
6			
7			**

**Step Two: If you selected, I Don't Know, on any of these questions, please review the tip for that question. Then, go back and reselect, if possible. Now, assign the points below to your scorecard.**

**Answer Key**

Question#	Yes	No	I Don't Know	Points from Your Answers
1	20	0	N/A	
2	5	0	N/A	
3	10	0	N/A	
4	5	0	See Tip Sheet	
5	5	0	See Tip Sheet	
6	30	0	See Tip Sheet	
7	25	0	N/A	

**Your score:** \_\_\_\_\_

**0-15 points- A Will-Based Estate Plan will most likely fit your needs.**

**16-40 points- Please refer to the tip sheet for additional information.**

**41-100 points- A Trust-Based Estate Plan will most likely fit your needs.**

## Tip Sheet

1. Your home is one of your biggest assets. Careful planning and passing your home in the most efficient manner is important. Depending upon the state you live in, this might be done by transferring your home into your Revocable Living Trust or by some other form of beneficiary deed.
2. If you have minor children, establishing a trust with age-based restrictions might be important to you. Consider the assets you have today or what that total might look like in the future. If you were to pass now, would you want your 18-year-old to receive these assets? If not, a Trust-Based Estate Plan might be the best fit for you.
3. The probate system is ill-equipped in regard to business continuation. A trust-based Estate Plan would be better suited for those who wish to sell or carry on with day-to-day operations.
4. If the bulk of your assets have named beneficiaries AND YOU DON'T own a home, or business, have minor children, or have privacy concerns, a Will-Based Estate Plan might be the best fit for you.
5. Either a Trust or Will-Based Estate plan will include an Advanced Health Care Directive, Financial and Health Care Power of Attorney.
6. Placing non-retirement assets and assets without named beneficiaries (like your home and your business interests) into the name of a Revocable Living Trust would avoid probate. Any items that pass by law (Will-Based Estate Plans) will be subject to the probate process, and the process takes approximately 12 months to complete. The cost (national average 2022) of a full probate is 6-8% of the estate's value.
7. A Trust-Based Estate Plan allows you to control the timing and amounts beneficiaries will receive. Even with age-based restrictions in place, the estate and Successor Trustee may still provide for your beneficiaries in the interim. They may cover the costs associated with Health Care, Education, Maintenance, and Support. (Maintenance and Support might be cell phone bills, car payments/ insurance, and family vacations. Anything your beneficiary might need to maintain their current lifestyle if possible.)