Thomason Law

Trust Funding Guide

General Trust Funding Information

Living Trusts are useful tools that allow a person to determine how their property will be managed, both during their lifetime and after death. However, creating the Trust is just the first step.

Trusts are only able to control and protect assets that are titled in their name. Assets must be transferred into the name of the Trust to be protected from probate. This process is called "Trust Funding".

If your Trust is unfunded (has no assets titled in its name), it will <u>not</u> protect you from Probate. Therefore, it is very important that you follow this guide and have your property transferred into the Trust.

- You were provided with a card at your signing appointment which shows how your assets should be titled.

- Be sure to have all current and future assets titled in this manner, or have a beneficiary designated on the account

- Transferring assets into your Trust is your responsibility. I am happy to assist you with this process, however, I cannot transfer your assets on your behalf, and will take no further action to ensure that your assets have been transferred into your Trust unless you specifically request my help in doing so.

- There is no time frame for when assets must be transferred into your Trust, but it is recommended that you transfer all current assets as soon as possible. In the future, remember to transfer newly acquired property into your Trust as soon as it is purchased or received.

Change the Name on All Titled Assets

Change the name on all assets that have a Title. This will change the ownership from you, as an individual person, to you, as the Trustee of the Trust. You will still be the owner of the asset and will not be restricted from using or selling the property; you will simply own the asset in a slightly different way. Assets will be included in the Trust once they are titled in the Trust name. Assets will be removed from the Trust if they are sold and no longer titled in the Trust name.

- ► **Real Property and Minerals -** A new deed must be filed in each county where land and minerals are located. I have prepared and filed the deeds for all land and minerals which you told me about at the time your signing appointment. Property purchased in the future will need to be titled in the name of the Trust.

- ► **Bank Accounts and Safe Deposit Box –** Take your Memorandum of Trust to your bank and ask to have the title changed on all accounts and Safe Deposit Boxes. This will change the title on the account only. Account numbers will remain the same.

- ► **Vehicles –**Take the Memorandum of Trust and your current vehicle title to the tag agency and ask to have the title changed. This is only allowed for vehicles without a lien. If you are purchasing a new vehicle, purchase the vehicle in the name of the trust.

- ► **Stocks, Bonds, and Brokerage Accounts:** Take your Memorandum of Trust to your financial advisor and ask them to change the ownership on your accounts to the Trust name.

If you have any questions, or need assistance, please contact me.

Transferring Personal Property

Personal property may include tools, pictures, clothing, jewelry, furniture, guns, personal effects, miscellaneous household items, and other assets that do not have a title.

- ► Personal property was transferred into the Trust by the Assignment found in your Trust document. You do not need to take any additional steps for these assets.

Assets That Must Use Beneficiary Designations

Not all asset types can be owned in the name of the Trust. For assets that cannot be owned in the name of the Trust, you will designate a beneficiary. Having a beneficiary appointed will keep the policy/account out of probate.

It is recommended that you check all policies at this time to ensure that you have a primary and contingent beneficiary on the account. Each situation is different, but typically, your spouse will be the primary beneficiary and your children, an individual, or your Trust will be listed as the contingent beneficiary. Be advised that minors named as beneficiaries will receive the assets at age 18. It is recommended that you consult with your attorney or financial advisor to see which beneficiary designation option is best for you. Accounts/Policies that should have beneficiaries include:

- ► **Life Insurance -** Ensure that you have a primary and contingent beneficiary for these policies.

- ► **IRAs and 401(k)s –** Ensure that you have a primary and contingent beneficiary for these Accounts.

If you do not have a beneficiary listed or if you need to change a beneficiary, make those changes as soon as possible, by requesting a change of beneficiary form from the company or policy provider.

Trust Funding Checklist

_X_ **Record all deeds with the County Clerk**

____ **Bank Accounts/Safe Deposit Box**
Change the owner name on all bank accounts

____ **Stocks, Bonds, CD's**
Change owner name on all stock accounts, bonds, and CD's

____ **Vehicles**
Change owner name on all vehicles

Check Beneficiaries

____ **Life Insurance**
Check beneficiary designations and make changes if necessary

____ **IRAs, 401(k)s, Qualified Plans**
Check beneficiary designations and make changes if necessary

Additional Tasks

____ **Take Care of Future Assets –** Title newly acquired property in the name of the Trust.

____ **Store Documents in Safe Location –** Keep your original documents in a safe location and tell your Successor Trustee where the documents will be located.

____ **Give Necessary Documents to Doctors**
Provide your doctors with a copy of your Medical Power of Attorney and Advance Directive documents.

Please contact my office if you have any questions or need assistance.

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Each client has unique assets. The information in this guide is meant to serve as a reference, but may not be a complete list of your duties or responsibilities. Please contact this office with any specific questions or if you need further assistance.