A couple of months ago, Sharon and I made a presentation at the Clubhouse regarding The Benefits of a Trust in your Estate Planning Process.

I wanted to bring a few of those benefits we discussed to you in order that you can see if a Trust is right for you and your estate.

Here’s a little information for you.

Trusts aren’t just for rich people. A Trust can provide peace of mind by ensuring assets go the right people.

Trusts can avoid the public, court-supervised probate process for distributing your assets after death.

You can create a Trust on your own by using estate planning software or by working with an estate planning attorney.

**WHAT IS A TRUST?**

A Trust is a legal arrangement to ensure a person’s assets go to specific beneficiaries. The Trust creator (You) puts assets in the Trust and authorizes a Trustee to administer those assets for you, The Trust creator.

In many cases, a Trust can reduce estate taxes.

There are three (3) players to a Trust.

Grantor or Creator: (You) the person who creates the Trust and puts assets in it.

Beneficiary: A person or persons, as determined by you, who eventually receives some or all of the assets in the Trust

Trustee: The organization or person you appoint to administer the Trust.

**TYPES OF TRUSTS**

You can tailor a Trust to your needs. There are various types of Trusts, but all Trusts fall under two (2) main categories.

**REVOCABLE TRUSTS** are also called Living Trusts and are created during the Grantor’s lifetime and are generally used for:

Planning of Incapacitation. If you are diagnosed with a debilitating condition, you can get things in order before you are unable to do so. When the day comes, the Successor Trustee takes over managing the Trust assets for you.

**AVOID PROBATE.** Assets in a Revocable Trust can bypass probate, the time consuming and expensive court process of settling an estate. Assets that transfer through Probate Court become part of the Public Record, so bypassing Probate can be beneficial if you prefer to keep the details of the Estate Private.

With the Revocable Trust, the Grantor (You) can change the beneficiaries and assets as long as they are alive and physically and mentally able to do so. However, Revocable Trusts typically do not provide tax benefits or protection from creditors.

**IRREVOCABLE TRUSTS** are permanent once signed and funded. They’re often used to minimize estate taxes because assets in Irrevocable Trust technically belon to the Trust, not the Grantor (You).

These Trusts typically transfer assets after the Grantor (You) dies, and they hold lifetime gifts for the Grantor’s heirs or beneficiaries.

There are Specific Types of Trusts as well. I won’t go into specifics, but her they are:

Testamentary Trust, Grantor Retained Annuity Trust (GRAT)

Education Trust

Spendthrift Trust

Charitable Trust

Special Needs Trust

Qualified Terminable Interest Property Trust (QTIP)

Generation Skipping Trusts

**HOW TO SET UP A TRUST**

Consult with an estate planning attorney to draft your Trust or create a do-it-yourself Trust. Use caution if you choose this option. It is extremely important that the correct terminology is used in the Trust Documents.

**IN CLOSING**

Sharon and I are not Attorneys nor are we Financial Planners or Tax Experts. We do however, have over 60 years of experience in dealing in real estate transactions involving Trusts and Probate. Trusts are definitely the way to go, in our opinion.

Some residents in Heritage have contacted and used Brandi Cassady, Cassady Law Firm and have been very pleased with her services. If you do contact Brandi, please let her know that Dave and Sharon Gravelle sent you. Her Number is: 702-650-4480.

Sincerely,

Dave Gravelle, 725-529-7653