

## **Using Trusts in Your Estate Plan**

Today, we will focus on when it may be appropriate for you to use trusts in your estate plan. There are many types of trusts that can be employed, and the ones discussed here are the most commonly used. These encompass broad powers that many clients find useful.

### **Revocable Living Trust**

Assets titled in a revocable trust avoid probate and pass according to the details outlined in the trust document. Not having to go to court saves your personal representative a lot of work and expense. Additionally, if a person has been married more than once, a revocable living trust enables a more complex distribution strategy for children from different marriages.

### **Irrevocable Testamentary Trust**

This type of trust becomes effective at the death of one or more individuals. This could be triggered in a will or a revocable trust. There are several circumstances when you may want to consider this. Options include:

- If you want assets distributed gradually over time and/or for a certain purpose, such as, for your loved ones' health, maintenance, and support, this can be accomplished using this type of trust.
- For parents of small children this type of trust could be established to become effective if both parents died. In this case, the trust could establish guidelines for using assets for the children's care and education. Age requirements for minor children can also be included to gradually release inheritances.

### **Special Needs Trust**

For parents of children with special needs, a Special Needs Trust is a tool to leave assets to your child without disqualifying him or her from public benefits. In these situations, it is advisable to also consider what government programs the children are eligible for, and structure the support from the trust to be sure not to jeopardize eligibility for government benefits. Certain Estate Attorneys specialize in these types of trusts.

### **Our Role in the Process – How We Can Help**

If you are interested in establishing a trust, find an estate attorney you want to work with and schedule an appointment. Look for referrals from your friends or family, or we are happy to provide one for you. We will be glad to assist you getting prepared for your meeting so that your time with the attorney is used most efficiently. Here are additional ways that we can help:

- Clarifying your objectives and goals for your estate plan.
- Reviewing the pros and cons of using a trust in your circumstances.
- Modelling estate distribution in your financial plan and reviewing impacts.
- Explaining how assets pass to heirs based on account titling, or via your current or future estate documents.
- Summarizing your accounts and account balances for your estate attorney.
- Facilitating discussion with your family members and/or your estate attorney.

If you would like to discuss your current estate plan or any changes that you may like to make, please reach out. We are happy to help you through the process!

Sincerely,

The CLF Team