

Four Reasons You May Need a Living Trust

If you peruse the financial pages or spend much time exploring the tools of financial planning, you're familiar with the term "trust." A trust is an arrangement whereby a designated person, called the "trustee," invests and manages specific assets for the express benefit of the "beneficiary." A trust can be created at death, through instructions in a will or during one's lifetime to become operable immediately. The latter is referred to as a "Living Trust."

In recent years, the living trust has become increasingly popular, and a living trust may be an ideal planning tool for you and your family for one or more of the following reasons:

1. To Provide Financial Management.

For those to whom the management of financial matters is more of a chore than anything else, the living trust offers an attractive alternative. By transferring the ownership of all estate assets into a living trust, it is possible to streamline financial management. The trust can be managed personally, by a bank, by a family member or a friend.

2. To Avoid Probate.

Probate is the legal process by which the court oversees the distribution of an estate as provided for by a will. Those assets within a living trust are not subject to probate. Probate can be an unnecessarily expensive ordeal, not to mention time-consuming and frustrating. For this reason, many individuals decide to create a living trust.

3. To Minimize Expense.

A trust simplifies the probate and estate distribution process and minimizes expenses. Because no probate proceeding is necessary, the trustee can simply distribute the assets from the trust without further cost.

4. To Ensure Privacy.

After an individual dies, a will becomes a matter of public record while a trust remains a private document. When the majority of assets are distributed via a trust document, only the family (and other loved ones, where appropriate) need be aware of the nature of the assets and how they were distributed.

For some or all of these reasons, you may find that a living trust fits into your future. If you would like additional information about living trusts, please call, write us or click the "Contact Us" button on our web site.