

Benefits of a Revocable Living Trust

As an element of a comprehensive estate plan, a Revocable Living Trust can be a powerful tool to help ensure your estate transfers to your beneficiaries according to your wishes. A Revocable Living Trust is commonly used to hold your assets in a trust for your benefit during your lifetime and is managed by a trustee you appoint. Your trustee can be a person or an entity, but typically you would serve as your own trustee as long as you are able. Then, upon your incapacity or death, your assets are transferred to the beneficiaries by the successor trustee, and in the case of incapacity, the assets are managed for your benefit. The terms of a Living Trust can be changed at any time, or the trust may be canceled entirely, which is why it's called revocable.

Is a Revocable Living Trust the right choice for you?

Here are four important ways a Revocable Living Trust could benefit your estate plan:

- 1 Bypasses probate.** With a Living Trust, assets inside your trust avoid probate and are passed on directly by your trustee according to the provisions of the trust, allowing distributions to your heirs to be made faster and more efficiently. This can be particularly helpful upon the death of the first spouse. Having financial assets titled in the trust allows the trustee to seamlessly continue accessing funds for the surviving spouse without having to wait on the probate court process.
- 2 Safeguards your privacy.** A Living Trust is a private document between the parties involved and does not become a part of any public record. A Will becomes public record once it's admitted to probate, so all its contents become public as well.
- 3 Protects you upon incapacity.** Because you will have designated a successor trustee (in the event of your incapacity), your Living Trust can be utilized in lieu of a guardian of the estate being appointed to handle your financial affairs. Your successor trustee can also step in prior to incapacity at a point where you want to delegate responsibility for trust assets such as bill pay or upkeep of property including your residence.
- 4 Out of state assets.** If you have real property outside of the state of Texas, placing these assets in a trust avoids the requirement of probating these assets in the state where they are located. Vacation properties and ranchland, for example, will be distributed pursuant to the terms of the trust without court intervention. Some states (unlike Texas) have very costly and administratively difficult probate procedures.

The trust advisors at Jefferson Bank are here to assist you in understanding the advantages and any disadvantages of establishing a Revocable Living Trust. Each family situation is unique, requiring careful analysis.

A Living Trust is just one component of a comprehensive wealth and estate plan. Our advisors offer a robust portfolio of products, strategies and services and can assist you in developing a strategic plan for transferring wealth that aligns with your goals.

For more information on Revocable Living Trusts or to arrange a review of your current estate plan, contact:

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