

The Benefits of a Trust

A Trust often serves as the cornerstone of comprehensive estate planning, fulfilling multiple roles. As Financial Advisors, you understand the importance of helping your clients sidestep probate, reduce or eradicate estate taxes, make provisions for individuals with disabilities, protect assets from creditors, and maintain Medicaid eligibility. A Trust accomplishes the objectives of a Will without the costs and delays associated with probate, while keeping your client's information private.

Revocable Trusts

Known as Living Trusts, Revocable Trusts are the most common. This type of trust offers clients the flexibility to manage their assets with the option to modify or dissolve the Trust during their lifetime. The primary advantage lies in avoiding probate easing the estate settlement process for families by circumventing the lengthy and costly probate court procedures.

These Trusts safeguard family wealth from the impacts of a child's divorce or a surviving spouse's remarriage. For clients focused on tax planning, a Tax Planning Revocable Living Trust can mitigate estate taxes for those with substantial estates, including diverse assets. By incorporating these strategies, Financial Advisors can help clients preserve their wealth and ensure a smooth transition of assets.

Irrevocable Trusts

Once established, an Irrevocable Trust is set in stone, with no provision for revocation or amendment. The creator places assets into the Trust, relinquishing control to a designated trustee who then manages these assets according to the Trust's terms.

Transferring assets to an Irrevocable Trust means the original owner loses direct access and control, with the trustee assuming responsibility for asset management. This setup can include arrangements for the client to benefit from the Trust's income, though access to the principal amount generally

remains restricted. Strategies can allow for some degree of control, such as enabling the client to alter beneficiaries through their Will.

Irrevocable Trusts are instrumental for Medicaid planning, creating Supplemental Needs Trusts for individuals with special needs, and facilitating asset transfer to future generations, thereby minimizing the taxable estate. Financial Advisors can utilize these Trusts to help clients achieve their long-term planning goals while providing asset protection and tax benefits.

Probate Avoidance

Probate involves the judicial process of transferring and retitling the deceased's assets to new owners, known for its complexity and duration. Effective estate planning, including the strategic use of Trusts, can circumvent the probate process, offering a more efficient, private, and cost-effective solution for asset transfer and protection against creditors. However, simply having a Will does not avoid probate.

At PayneLess Law, we excel in recommending Trust-based strategies to bypass probate, facilitating asset transfers while safeguarding them from creditors. By partnering with Financial Advisors, we aim to provide personalized advice and planning to ensure clients' wishes are honored and their legacies protected. For more information or to discuss tailored estate planning solutions, please contact us at 480-420-7199 or visit us online.

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