

In good old fashion plain English this article will give you some basic knowledge about Living Trusts, and propose some factors for your consideration in deciding whether a Living Trust is the right choice for you and your family.

What is a Living Trust?

This is a great question to start off with. Many people don't really know what a Living Trust is, let alone whether it is right for them. First off, a Living Trust is a device we use to limit or, in some cases, eliminate Probate fees, attorneys' fees, and yes, sometimes even taxes, when we pass away. Why do we care? Because those expenses will come out of the estate (all the wealth and property of someone who has died) we leave behind. Wouldn't you like to see your family get as much of your property and wealth as possible? Of course. That's why we use Living Trusts. A Living Trust is a legal document which creates a new device to hold your property and wealth on your behalf. During your life, you, as Trustee (manager), retain all the same rights as owner and remain in complete control of your property. You may amend or revoke your Trust, as well as add or remove property from the Trust at any time you wish.

What is Probate and why should we avoid it?

Probate is the court supervised process under which your Will (assuming you have one) is carried out and your assets (property and wealth) are transferred to others following your death. It typically involves hiring an attorney to navigate the process. Although hypothetically a Probate could take as little as 6 months, generally it takes much longer. Costs of Probate include statutory fees for an attorney's services and are based upon a percentage of the overall estate. So, for example, someone with an average type home in Southern California with some solid equity and a few reasonably successful investments might accrue an estate valued at about \$1,000,000.00. (While you might think that's alot, it's much more common than you realize.) Based on that example, attorney's fees in Probate would amount to about \$23,000.00. That's a substantial amount of money from your estate that would otherwise go to your family. Now that's 23,000 good reasons to have a Living Trust.

Advantages of a Living Trust

Here is a summary of just a few of the reasons to have a Living Trust instead of putting your loved ones through Probate: + A trust can help ensure your assets will be managed according to your wishes even if you become incapacitated. + Upon your passing, your estate passes to the people you choose, quickly and without Probate. + Your estate is handled privately, unlike in Probate, and without the court's involvement. + No court costs and potentially no attorneys' fees. + Potentially lower tax liability for your heirs who receive your estate. + You have complete control over your assets. + You get peace of mind.

How Do I Know if a Living Trust is Right for Me?

If you own real estate with equity; If you are married or have children and have more than \$100,000.00 in assets; If you wish to leave assets to your grandchildren; or, If your wish is to smooth the passage of your estate to your family with a minimum of their effort at a time when they are at their weakest . . . a Living Trust may be right for you.

Is There Anything Else I Need Beside a Living Trust?

In a word, yes. Along with a Living Trust, you will likely need a Pour Over Will. That covers assets accrued during your lifetime that inadvertently might not make it into your Living Trust. Also, there are a number of other items which typically accompany a Living Trust and help ensure your property is transferred into your Living Trust. You could probably also benefit from having a Power of Attorney and an Advanced Healthcare Directive. Together, these provide the people of your choosing with the authority to make decisions concerning your finances and healthcare if you are no longer able. These additional items, and several others, should be included with your Living Trust. The Law Offices of Richard B. Rudolph provides you with exactly what is necessary to ensure the efficient and painless passage of your estate. These additional items are included in our Living Trust Package at a fixed price so you don't have to worry about getting everything you need.