

REVOCABLE TRUSTS

What Is a Revocable Trust? A Revocable Trust holds your assets during your life and directs the transfer of your assets at your death. You can act as the Trustee of your Revocable Trust during your life, so you can control the property transferred into it.

What Are the Benefits? The main benefits of a Revocable Trust include the following:

- **Probate avoidance**—Probate can be expensive and time consuming, but assets owned by your Trust are not subject to Probate;
- **Avoidance of court supervision over the management of your assets should you become incapacitated**—Court supervision can result in substantial legal fees. Your Successor Trustee manages assets in your Revocable Trust upon your incapacity, so the court is not involved;
- **Privacy**—Your documents are kept private after your death; and
- **Tax Planning**—Estate taxes can be reduced more effectively using a Revocable Trust than using a Will.

Pour-Over Last Will and Testament. A Pour-Over Last Will and Testament is used as a companion and back-up to your Revocable Trust. At your death, the Will directs any assets that are owned by you (and not by your Revocable Trust) into your Trust after the Probate process is completed. The operation of a Pour-Over Last Will and Testament is illustrated below.

