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REVOCABLE LIVING TRUST

A Revocable Living Trust (“Trust”) is a legal document that, just like a will, contains your instructions for what you want to happen to your assets when you die. A Trust can avoid probate at death, control all of your assets, and prevent the court from controlling your assets if you become incapacitated.

When you set up a Trust, you transfer assets from your name to the name of your Trust, which you control. The person who sets up a Trust is commonly referred to as the Settlor or Grantor. The Settlor is the only person who can amend or revoke the Trust. Typically, the Settlor is also the initial Trustee of the Trust. The Trustee is the person who has control over the assets titled in the name of the Trust. Legally you no longer own anything; everything now belongs to your Trust. Therefore, there is nothing for the courts to control when you become incapacitated or die.

You maintain full control over your assets in your Trust. As Trustee of your Trust, you can do anything you could do before such as buy and sell assets. Nothing changes but the names on the titles of your assets. Usually, you will change the title on real estate, bank accounts, CDs, stocks, bonds, and investments. Beneficiary designations on insurance policies and annuities are changed to your Trust so that the court can’t control them if a beneficiary is incapacitated or no longer living when you pass away. The process of transferring the assets into your Trust is referred to as “funding” your Trust. It is essential that you “fund” your Trust so that your assets do not go through probate which is time consuming and costly. If you fail to completely fund your Trust and you pass away, there will be a probate at your death. You will receive a “pour over” will that will act as a safety net if you forget to transfer an asset to your Trust. The asset will still have to go through probate but it will eventually be distributed to your Trust.

If something happens to you, the Successor Trustee that you personally selected will step in. The Successor Trustee will look after your care and manage your financial affairs for as long as needed, using your assets to pay your expenses. When you die, your Successor Trustee pays your debts, files your tax returns and distributes your assets. This can be done quickly and privately, according to the instructions in your Trust, without court interference.

A Trust doesn't have to die with you. You can provide instructions for your Successor Trustee to maintain control over the assets in your Trust for the benefit of your beneficiaries. You may want to provide for a loved one with special needs, or protect the assets from beneficiaries' creditors, spouses and future death taxes.

A Trust isn't just for the wealthy. If you own titled assets and want your loved ones to avoid court interference at your death or incapacity, you should consider having a Trust.

Benefits of a Revocable Living Trust:

- Avoids probate at death, including multiple probates if you own property in other states
- Prevents court control of assets at incapacity
- Brings all of your assets together under one plan
- Provides maximum privacy
- Distribution of assets to beneficiaries occurs in a more timely manner
- Assets can remain in trust until you want beneficiaries to inherit
- Can protect beneficiaries inheritance from creditors, spouses and predators
- Can reduce or eliminate estate taxes
- Inexpensive, easy to set up and maintain
- Can be changed or cancelled at any time
- Difficult to contest
- Prevents court control of minor's inheritances
- Can protect dependents with special needs
- Prevents unintentional disinheritance and other problems of joint ownership
- Peace of mind

CONTACT OUR OFFICE AT 352.399.6944 FOR ADDITIONAL INFORMATION