

Setting Up a Testamentary Trust

This playbook outlines the steps involved in establishing a testamentary trust, which is a legal arrangement created through a will and comes into effect upon the death of the individual who has created the will, known as the trustor.

Step 1: **Draft Will**

Draft a will with clear instructions for creating the trust. Specify the assets to include, the beneficiaries, and the terms of trust management.

Step 2: **Choose Trustee**

Select a trustworthy and competent individual or institution to serve as the trustee, who will manage the trust assets according to the trustor's wishes.

Step 3: **Name Beneficiaries**

Clearly identify the beneficiaries of the trust and outline their benefits. Define any conditions or stipulations for the distribution of assets.

Step 4: **Define Terms**

Detail the terms of the trust, including how and when assets will be distributed, duties of the trustee, and any provisions for early termination of the trust.

Step 5: **Execute Will**

Legally sign and notarize the will in the presence of the required number of competent witnesses according to your jurisdiction's laws.

Step 6: **Store Will Safely**

Keep the will in a secure location, and inform the trustee and beneficiaries of its location without necessarily revealing its contents.

Step 7: **Update Periodically**

Review and update the will and testamentary trust provisions periodically to reflect changes in assets, beneficiaries, and personal wishes.

Step 8: **Activate Trust**

Upon the death of the trustor, the will must be authenticated through a legal process called probate, after which the trust is officially established and the trustee can commence their duties.

General Notes

Legal Advice

Always seek professional legal advice when drafting a will or trust. Laws vary by jurisdiction and require expertise to ensure enforceability.

Regular Updates

Significant life events such as marriage, divorce, birth of children, or changes in financial status should trigger a review and possible update of your will and trust.

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