

Establishing a Living Trust

This playbook outlines the sequential steps required to create a living trust, an estate planning tool that allows individuals to manage their property during their lifetime and simplifies the transfer of assets upon death, avoiding the complexities of probate.

Step 1: **Assessment**

Evaluate your assets to decide if creating a living trust is beneficial for your estate planning. Consider the size of your estate, types of property, and your goals for the disposition of your assets.

Step 2: **Documentation**

Gather all necessary documentation for assets including real estate deeds, bank accounts, investment accounts, and personal property titles that will be included in the trust.

Step 3: **Select Trustee**

Choose a trustee who will manage the trust. This can be yourself as the initial trustee, with a successor trustee to take over management after your death.

Step 4: **Create Trust**

Draft the trust document which outlines the terms of the trust, including the beneficiaries, trustee responsibilities, and how the assets should be managed and distributed.

Step 5: **Notarization**

Sign the trust document in front of a notary public to ensure it is legally binding.

Step 6: **Transfer Assets**

Formally transfer ownership of the listed assets to the trust. This may involve changing titles, deeds, or designating the trust as the new owner on accounts.

Step 7: **Store Documents**

Keep the trust document and related paperwork in a secure location, and provide copies to the trustee or other relevant parties.

Step 8: **Continuous Update**

Regularly review and update the trust as necessary to reflect changes in assets, beneficiaries, or personal circumstances.

General Notes

Legal Advice

Consult a lawyer who specializes in estate planning to ensure that your trust complies with state laws and suits your personal needs.

Tax Implications

Understand the tax implications of setting up a living trust. While it typically does not result in tax advantages during your lifetime, it can impact estate taxes and beneficiary taxation.

