

TOP FIVE REASONS FOR HAVING A LIVING TRUST

Courtesy of:
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1

SAVE MONEY!

YOUR TRUSTEE WILL BE ABLE to settle your estate with minimal help from an attorney. Without a trust, if your estate is subject to probate, the attorney's fees will be a percentage of the value of your estate. For example, the attorney's fee to probate a \$1M estate is \$23,000. The executor of your will is entitled to the same fee.

2

SAVE TIME!

ASSETS HELD IN TRUST are readily available to provide for dependent family members, to pay your debts, and to pay for funeral and burial or cremation expenses. The trust manager, called the "trustee", has the ability to list and sell real estate, if needed. Without a trust, whether or not you have a will, your estate must pass through a court procedure called probate. A probate takes at least 8 months to several years to complete. During that time, the assets of the estate are not readily available.

3

MINIMIZE ESTATE TAXES

IF YOU ARE MARRIED and have an estate large enough to be subject to estate taxes, trusts can be used to either prevent or minimize estate taxes.

4

FLEXIBILITY OF DISTRIBUTION

WITH A TRUST YOU CAN ESSENTIALLY MANAGE your estate from the grave. This is especially important if you have young children or disabled individuals for whom you want to provide. For example, your trustee can continue to manage your assets for the benefit of your children until they reach certain ages. You might give them 1/3rd of their share of the estate when they attain age 25, 1/3rd when they are 30, and the balance at age 35. If you want to provide for a disabled person, a special kind of trust can allow him/her to keep government benefits and still receive assistance from the trust.

5

SEGREGATE COMMUNITY AND SEPARATE PROPERTY

COMMUNITY PROPERTY IS PROPERTY PURCHASED with the earnings of either spouse during a marriage. Separate property is property acquired prior to marriage or received as a gift or inheritance during marriage. A trust can keep your separate property segregated from your community property. This type of trust is very useful in a second marriage where either spouse has children and assets from a prior marriage.