

7 Reason Why Your Client Might Need a Revocable Trust

A revocable trust can be an extremely powerful and flexible estate-planning tool. One of the questions we get asked from advisors all across the country, “Does my client really need a revocable trust?” Some people believe that revocable trusts are oversold, while others believe they are underutilized. We have come up with 7 reasons why your client might want or need a revocable trust.

1. To Provide an Orderly Distribution of Their Assets to Their Heirs

We like to say for “For Whom Am I Responsible?” We all want to take care of the ones we love most. We want to provide for our heirs’ well-being and protect our hard earned assets from our heir’s potential predators and creditors. In today’s world, with complex family dynamics, distributing your assets in the most orderly and efficient way possible is one of the main reasons your clients’ should want a trust.

2. To Avoid Probate

Probate in Latin means proving of the will. Probate is time-consuming and expensive. In order to transfer your assets to your heirs using a will, you have to go through the court system. We get calls all the time that John Doe is at the bank showing his mom’s will and wants his money. This is not how the will works. The will has to go through the court system to prove that it is the most current and valid will. The creditors of the decedent must be paid, and the final tax returns must be filed. After these tasks are completed, the executor of the will can distribute the remaining assets to the beneficiaries as dictated in the will.

3. Privacy Concerns

We have all seen the famous celebrity who passed away and the contents of their will end up on the internet for a topic of discussion. This is because a will is public record and is filed with the court after death. A revocable trust, on the other hand, is a business contract and a private document. Many of your clients might want to keep their estate plan private for many different reasons. If this is the case a revocable trust is the answer.

4. Real Estate in More than One State

A lot of people forget that if they have real estate in more than one state, each piece of property has to be probated in the state where it is located. This can lead to more attorney fees, court related fees, and can be very time-consuming. Your clients benefit from using a revocable trust by changing the deeds on the real estate so the trust is the owner; therefore, avoiding probate.

5. Second Marriages

In many cases, the surviving spouse of a second marriage has the ability to disinherit their stepchildren. If your client has a trust in place, the trust can provide benefits to the surviving spouse for their lifetime, and after death leave the remainder of the assets to each spouse’s estate, outside of the probate process.

6. Incapacity Planning

If you have a will and become incapacitated, the court will provide a guardianship. Guardianships are public record and can be expensive. However, if you have a trust and become incapacitated, the successor trustee has complete access to the grantor's assets.

7. Special Needs

Special needs planning is becoming more common in estate planning. If one of your client's children is receiving government benefits, such as disability, and they receive an inheritance, a result could be a denial of their government benefits. A special needs trusts can provide the child with their supplemental needs from their inheritance, while still allowing them to receive their government benefits.

If you have any questions or would like any information email us at info@premiertrust.com or call us at 702-577-1777. Work with a Company You can Trust.