



Wills vs. Trusts

Will

Revocable Living Trust

Cost	<ul style="list-style-type: none"> • Less expensive to set up than a trust • Assets do not need to be retitled • Probate: Court costs and attorney fees <ul style="list-style-type: none"> • Probate can cost 5 -6% of the value of an estate (depending on complexity) 	<ul style="list-style-type: none"> • More expensive to set up than a will • Assets must be retitled into the name of the trust • No probate/court process: Successor trustee is in immediate control of the assets
Privacy	<ul style="list-style-type: none"> • Lack of privacy: A will becomes part of public record 	<ul style="list-style-type: none"> • Privacy is preserved: Trusts are not public documents
Benefits	<ul style="list-style-type: none"> • Used to appoint an executor and name beneficiaries • Assets typically are distributed free of trust once probate is complete (unless the will creates a testamentary trust at death) • All actions are approved by the court for the protection of the executor and transparency to the beneficiaries 	<ul style="list-style-type: none"> • Used to appoint a successor trustee and name beneficiaries • Asset can be held in trust for multiple generations • Successor trustee is in immediate control to dispose or hold the assets as set forth in the trust • A guardianship of the estate is avoided as successor trustee can step in if the client were to become incompetent • Can protect heirs from creditors, including divorcing spouses • Can set up a trust for a specific purpose, such as to protect spendthrift beneficiaries, pay for grandchildren's education, provide for a special needs child, or provide donations to a charitable organization
Minors	<ul style="list-style-type: none"> • Can appoint a guardian for minor children 	<ul style="list-style-type: none"> • Guardians can only be appointed in a will, not by a trust • Typically a client should have a "pour-over will" and a trust that work together to create a complete estate plan

While it is clear that both wills and trusts can handle the transfer of assets to heirs, only trusts can minimize the costs associated with probate, last for multiple generations, and protect heirs from creditors.

