Trust Myths and Realities

The complexity of some trusts has fostered many myths, most arising from misinformed media portrayal and a general misunderstanding of how a trust works. Here are some of the most common myths:

Myth #1

Trusts are only for the rich.

This is categorically incorrect. Trusts are the framework providing for the security and well-being of one's heirs. Trusts may protect an inheritance from an heir's creditors, including in certain states, a divorcing spouse. Divorce and creditor protection are not benefits limited to the rich. You do not need to be wealthy to benefit from a trust.

Myth #2

Trusts are used to hide money or avoid income taxes.

Again, this is incorrect. Trusts are generally reporting entities to the IRS and other taxing authorities and are not used to hide money from the authorities. Trusts may be subject to taxes.

Myth #3

Trusts create "trust fund kids."

Generally, trust assets are finite and beneficiaries do not have unlimited resources. The media portrays beneficiaries as "trust fund kids," heirs that are "loafers" who enjoy the high life, living off of trust assets. Modern trust documents often require that beneficiaries meet certain qualifications to receive a distribution, such as being currently employed. This misconception is similar to the "reading of the will" often dramatized in movies and television; this simply does not happen in normal life.

Name Premier Trust

Contact your attorney to name
"Premier Trust, Inc., A Nevada Chartered Trust Company"
as your trustee.

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