

FREQUENTLY ASKED QUESTIONS ABOUT REVOCABLE LIVING TRUSTS

If I transfer real estate into my Living Trust, will my property taxes go up?

No. Transfers into a Revocable Living Trust have no effect on your property taxes

If I am only a part owner of property, can I transfer my share into a Trust?

Yes. Your share can go into the Trust without changing the shares owned by others.

Can I name Trustees and Beneficiaries who live out of state?

Yes. There is no limitation on where your Trustees or Beneficiaries reside.

Will I have to consult an attorney every time I buy new assets?

No. Once your current assets are transferred to your Living Trust, you take title to all new assets in the name of the Trust and they will automatically be owned by your Trust.

Does my Living Trust need to be registered or recorded anywhere?

No. The Revocable Living Trust is a private document which is not recorded. However, if you own any interest in real estate, the new deeds showing Trust ownership will be recorded.

Can I sell assets owned by my Living Trust without complications?

Yes. You sell assets in the same way you currently do. You will, however, add the word "Trustee" after your signature.

Can I change the terms of the trust?

Yes. While you are alive and competent, you can alter the Trust or even revoke it without penalty at any time.

Can I transfer real estate into my Living Trust?

Yes. In fact all real estate should be transferred into your Family Trust. Otherwise, upon your death, there will be a Probate in every state where you own real property. When it is owned by your Living Trust, there is no Probate anywhere.

Is the Revocable Living Trust just a tax loophole that the government will close down?

No. The Revocable Living Trust has been authorized by the law for centuries. The government has no interest in making you go through Probate or Conservatorship. Those proceedings only clog up the court system. In addition, there is no movement in Congress to reduce the Estate Tax benefits available to a Revocable Living Trust.

Is it difficult to transfer assets to my Trust?

No. All your assets except IRA and pension benefits, which have beneficiary designations, should actually be owned by your Revocable Living Trust. We transfer your real estate and all your personal property for you. The only assets you need to transfer are your stocks, bonds, and bank accounts and, in most cases, there is no fee for changing title to these assets. A simple beneficiary change is used for "Tax-Qualified" plans such as IRAs, 401Ks, and pension benefits.

Can I transfer my separate property as well as my community property into the Living Trust?

Yes. All your assets both separate and community are transferred into your Living Trust but they are not commingled. Separate property assets retain their separate property character while in your Trust. If there is a divorce or dissolution of marriage, all assets come out of your Living Trust in the same way they went in: Community property is divided between the parties and separate property is returned to the party who originally owned it.

Can any attorney create a Revocable Living Trust?

No. The drafting of your Revocable Living Trust should only be done by an attorney trained in the area of Tax and Trust Law. It is important that you seek out a law firm which limits its practice to the creation of Revocable Living Trusts. After all, your Family Trust will be the document which manages and disposes of all your hard earned wealth. Make certain you choose a law firm which is both qualified and experienced.

What if I move to another state, is the Trust still valid?

Yes. The Revocable Living Trust is valid in all 50 states, regardless of the state where it was originally created.

Is a Living Trust only for the rich?

No. A Living Trust can help anyone who wants to protect his or her family from unnecessary Probate Fees, attorney's fees, court costs and estate taxes. In fact, if your total estate is greater than \$100,000, a Living Trust offers substantial protection for your estate.

Is a Living Trust a good idea for a single person?

Yes. If you are widowed, divorced, or unmarried, a Living Trust offers protection for your estate as well. It completely eliminates Probate, Conservatorships and you can pass \$5,000,000 Estate Tax free.

Are there any major disadvantages to a Revocable Living Trust?

No. Because you have complete control of all assets in your trust, you are free to manage your Trust in any way. Also, because your Trust is revocable, you have the right to make any changes in it while you are alive and competent.