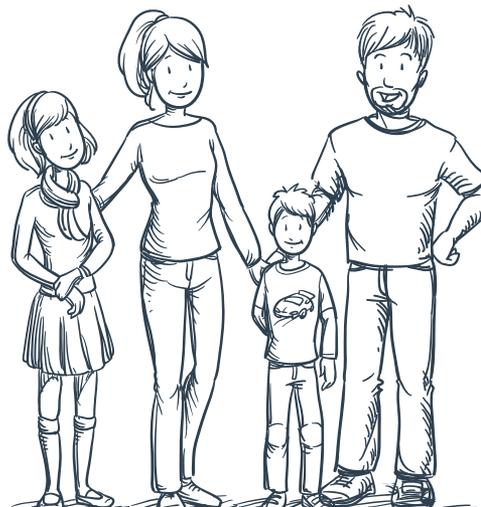




CRAIN & WOOLEY

REVOCABLE LIVING TRUSTS



An Introduction to Revocable Living Trusts

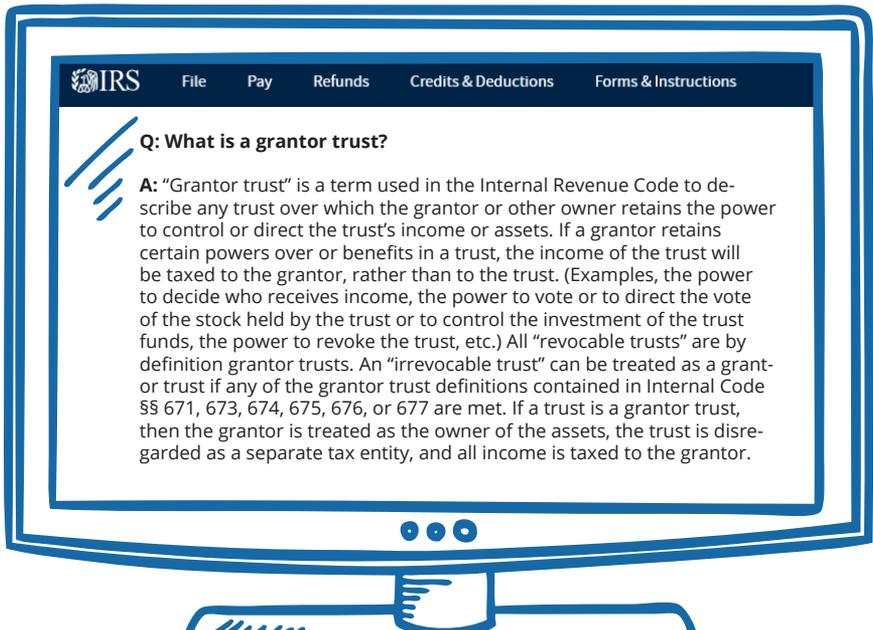
Introduction: Revocable Living Trusts

When you hear that someone has a trust, you probably picture a billionaire parking their boat inside their yacht off their private island. While there are highly complex trusts used by billionaires to avoid paying taxes and protect assets from lawsuits, there are also relatively simple trusts that help normal people manage their assets and plan for the distribution of said assets at time of death.

Most people are familiar with the term last will and testament. In fact, wills are probably one of the most common legal instruments used today. However, wills are not the ONLY option available. In this document, we will review the basic structure and functionality of a **revocable living trust**.

Success for a Revocable Living Trust: Grantor Trust

The key to reaping the benefits of a revocable living trust is to make sure that it is written in accordance with the guidelines for establishing a grantor trust. The IRS defines a grantor trust as one in which **“the creator of the trust remains in full control of all assets, that the tax rate and method of tax payment does not change and that the creator/grantor has all rights up to and including revoking or eliminating the trust.”**¹



Revocable Living Trust Terminology

Revocable	Completely changeable up to and including revoking the trust
Living	Created while alive, creating a living document
Trust	Trusting someone to carry out your wishes without court oversight
Grantor/Settlor	The person(s) who create the trust
Trustee	The person(s) who manage the trust
Successor Trustee	The person(s) who follow distribution instructions at the time the last grantor passes away; have immediate access to all assets without court oversight
Beneficiary	The person(s) who receive an inheritance
Estate plan	The trust created to distribute assets to beneficiaries at time of death

An Introduction to Revocable Living Trusts

Revocable Living Trust: A Flexible Estate Planning Tool

A revocable living trust (RLT) is an alternative to the well-known last will and testament. A RLT provides a way to both manage assets while living AND plan for the distribution of assets at time of death. A RLT offers increased flexibility to meet a wide variety of personal goals and avoids the need for courts and attorney fees in the future.

The word “living” is of utmost importance when addressing why a normal person would utilize a revocable living trust. A last will and testament requires that the deceased person’s assets be frozen until the executor completes the probate process. Alternately, a revocable living trust, as a living entity, can own titled assets such as real estate, bank accounts and CDs as well as coordinate with tax deferred financial accounts. This means that assets owned by the trust are NOT frozen upon the death of the grantor/creator and can quickly and freely flow to beneficiaries according to the paraments laid out in the trust.

*REMEMBER, the creator/
grantor maintains all
control over the trust.
Daily life does not change.
Bills are still paid the
same, direct deposits
happen the same way,
debit cards operate in the
same way and so on.*



Benefits of a RLT as Compared to a Last Will and Testament

Last Will and Testament

Revocable Living Trust

Distributes assets



Avoids in-state and out-of-state probate proceedings



Effective immediately upon signature



Portable state-to-state



Proactively addresses blended family needs



Provides, in advance, for minor children and grandchildren



Protects assets from troubled heirs



Addresses community property issues



Provides divorce protection for inheritance



Limits creditor access



Affords tax-planning



Keeps distribution of assets out of public record



Highly customizable



Protects long-term family legacy



Coordinates well with business interests and partnerships



Provides for special goals like education and healthcare funds



Allows for assets to be left for those with special needs



Court and attorney free in future



Creating a Revocable Living Trust

The first, most important step is to consult with an attorney who practices solely in estate planning. General practice attorneys are not well versed in the intricacies associated with creating revocable living trusts and online legal “self-help” services do not provide actual legal services. Read the disclaimers of online self-help services. Most disclaimers state that the service is not providing legal advice or legal work and that nothing that you provide through their self-help services is protected by attorney-client privilege or as legal work product. Why would they state this? Because they are not actually providing legal services, and they are under no obligation to ensure that what you receive meets any legal standard. As a result, online “legal” self-help is generic and does not meet any state-specific rules nor does it necessarily meet your specific needs and goals as an individual.

If you choose to work with Crain & Wooley, we adhere to the following timeline.

Revocable Living Trust Creation



Week 1: Your complimentary consultation begins your estate planning journey. During this meeting, you and your estate planning attorney will explore your idea of the “perfect estate plan”. You may complete some paperwork during this exploration process: The Welcome Form, Client Asset Worksheet and Agent Designations.



Weeks 2-3: You will receive drafts of your agent documents to include: Medical Power of Attorney, Durable Power of Attorney, Comprehensive HIPAA Release, Declaration of Guardian in Advance and Medical Directive.



Weeks 4-6: Now, we are getting to the meat of the matter. About week 6, you will receive all Trust related documents for review. Put on your reading glasses!



Weeks 6-7: You will have the opportunity to work 1:1 with your attorney to ask questions, receive clarification and include any changes needed to your Agent or Trust documents. This is the time to make sure we have heard you regarding your idea of a perfect estate plan



Week 8: You made it! During our final signing meeting (FSM), we will finalize and notarize your documents. We will also talk through how to fund your trust including retitling your real estate holdings and working with financial institutions.

Managing a Revocable Living Trust

Since daily life of the trust grantors/creators does not change, a RLT is relatively easy to manage over the lifetime of the grantors. Crain & Wooley recommends the following trust management practices.

Revocable Living Trust Management



Communicate with your financial institutions, financial advisors, and physicians. This includes funding your trust: retitling bank accounts into the name of the trust and coordinating retirement accounts with the trust as beneficiary. Crain & Wooley takes care of real estate transactions for you!



Communicate with your successor trustees and agents. Share with them where you will store your original documents and give them copies, as necessary. Take this time to educate them on what they will have to do after you have passed away. Crain & Wooley is pleased to conduct virtual education sessions for trustees and agents, as necessary.



Check your county's tax assessor's office website to make sure your home is recorded as being owned by the trust. While the county's official deed records will be updated the day the deed is recorded, the tax assessor's office takes a little longer.



Review your trust annually. Make sure that your assets are titled and/or coordinated with your trust properly and that documents still reflect your wishes.

"10 months ago we had Crain and Wooley draw up a trust for us, and they did a great job. They answered all our questions, and gave us good advice. We were very pleased with their service. We would recommend Crain and Wooley they will give you good service." - Colene W.



Working with Crain & Wooley

Any licensed attorney can write a Will or Trust for you; however, very few dedicated themselves solely to the art and science of estate planning. We do! We practice solely in the area of estate planning thereby providing our clients best-in-class service supported by up-to-date, best practices.

As for online “legal” self-help, it’s typically generic and does not meet state-specific rules nor does it necessarily meet your specific needs and goals as an individual. We can.

Crain & Wooley is a full-service estate planning firm with expertise in Trust Creation, Will Creation, Probate Services, Adult Guardianship, Nursing Home (Medicaid) Qualification, Business Planning, Asset Protection, and Reviewing as well as Updating Existing Plans.

At Crain & Wooley, you will never receive a surprise legal bill. We are upfront with our pricing for proactive estate planning. Learn more about our flat-rate prices on our website www.crainwooley.law/flat-rate-services.



Justin T. Crain

Justin T. Crain has been recognized by the Texas Bar College as one of the best-trained attorneys in Texas. Justin practices exclusively in estate planning and settlement.



Jacob K. Wooley

Jacob K. Wooley’s experience with businesses and families allows him to address a wide range of estate planning issues.

Disclaimer: Information presented is for general educational purposes only and does not constitute legal advice. Crain & Wooley encourages you to meet with a qualified attorney to learn more about your unique situation.

Our Services

Crain & Wooley provides expert service in the following areas:

- Standard and complex Trust creation
- Standard and complex Will creation
- Primary and ancillary probate
- Adult guardianship
- Nursing home qualification (Medicaid)
- Existing document review and update
- Business continuity planning
- Small business formation

Contact Us

Law Office of Justin T. Crain, PLLC
DBA Crain & Wooley

PLANO – PRINCIPAL OFFICE
660 North Central Expressway Ste 210
Plano, TX 75074

972-560-6288

justin@crainwooley.law
joy@crainwooley.law
www.crainwooley.law

Jacob K. Wooley, PLLC
DBA Crain & Wooley

MANSFIELD
1703 Fountainview Dr., Suite 103
Mansfield, TX 76063

682-422-3495

jacob@crainwooley.law
joy@crainwooley.law
www.crainwooley.law



CW
CRAIN & WOOLLY

www.crainwooley.law