

The Revocable Living Trust - The Basics

By: Richard A. Selinger, J.D., LL.M

A Revocable Living Trust is a written contract where you as the trustmaker enter into an agreement with someone you designate as a trustee to use the assets in the trust for the benefit of another (the beneficiary). When you're alive and well it is common for you to play all three roles - that of trustmaker, trustee, and beneficiary.

The mechanics may seem strange. While you are alive and well You, as the trustmaker, put your money into the trust so that You, as the trustee, can decide how to use the money for You, as the beneficiary. So, what's the point?

The point is that it provides for a very smooth transition in the event you become unable manage your affairs, either because of incapacity or death. You name, in the trust document, who the successor trustee(s) will be under those circumstances and provide detailed instructions and directions to your successor trustee(s) ensuring things continue as you would want.

Your successor trustee will step into your shoes to manage your affairs without the Courts being involved, either in a probate or guardianship proceeding, in selecting the person who will manage your affairs. Nobody wants the Courts involved if it can be avoided. First, it costs money (court costs and attorney fees), second, family members may argue over who the Judge should pick to manage your affairs, and third, since it's a court proceeding it's totally public. No one wants to air their dirty laundry or put their private family matters out in that manner.

The key to this working is making sure your assets are titled in the name of the trust. This is called trust funding. A successor trustee has no authority to manage assets titled in your name individually, but is authorized to manage assets titled in the name of the trust.

Similarly, a fully funded trust provides for a private streamlined process (without court oversight) of transferring assets after your death to the people you want and in the way that you want.

It's a wonderful device, that if used properly, can spare your loved ones of the burdens that come with your incapacitation or death. There are so many different ways to use a Revocable Living Trust for your benefit and the benefit of those you love and care about. Meeting with a knowledgeable estate planning attorney is essential to getting the most out of your Revocable living Trust.

If you have any Estate Planning questions or would like a comprehensive review of your situation, risks, and potential solutions, feel free to get in touch. My contact information is listed below:

Email: Richard@SelingerLawFirm.com

Web site: www.SelingerLawFirm.com

Telephone: (303) 442-4600

You can also schedule a 30 minute telephone call or Zoom conferencing call by clicking on the link to my [Calendar App](#) and selecting a time slot that is most convenient for you.