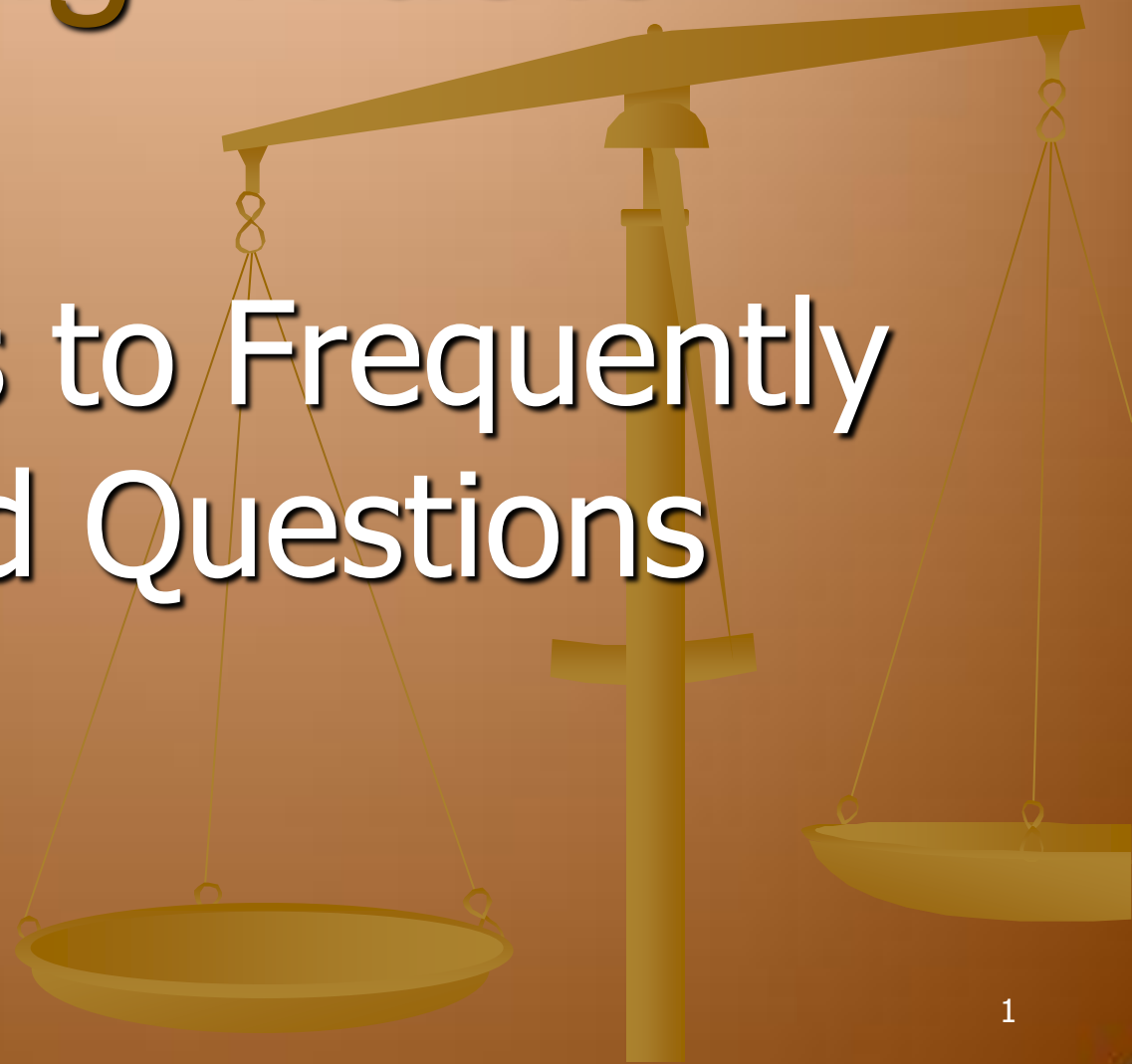


Living Trusts

Answers to Frequently Asked Questions



Disclaimer

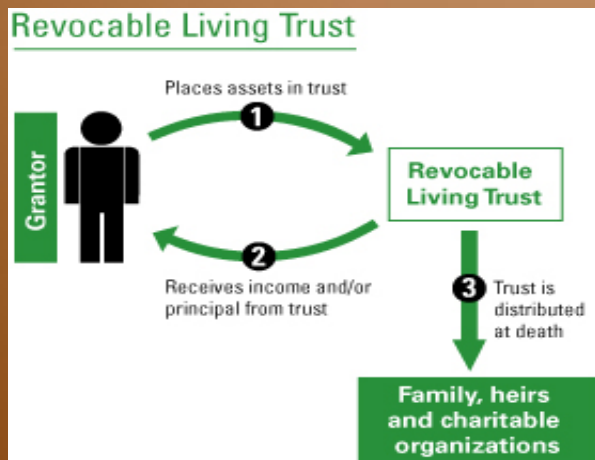
- This PowerPoint Presentation is provided to you as a convenience, and does not constitute legal advice.

WHAT IS A LIVING TRUST?

- A trust is an arrangement. In this arrangement, a person, called a trustee, holds legal title to property for another person, called a beneficiary.
- Under this arrangement, you can be the trustee of your own living trust. When you do this, you keep control over property for your named beneficiaries.

WHAT IS A LIVING TRUST?

- Under a trust, the “trustee” holds legal title to property for a “beneficiary.”
- Trustee has fiduciary responsibility to fulfill requests exactly as instructed in the trust document
- May enable family and heirs to avoid probating your estate after your death
- May be a way to set up long term property management



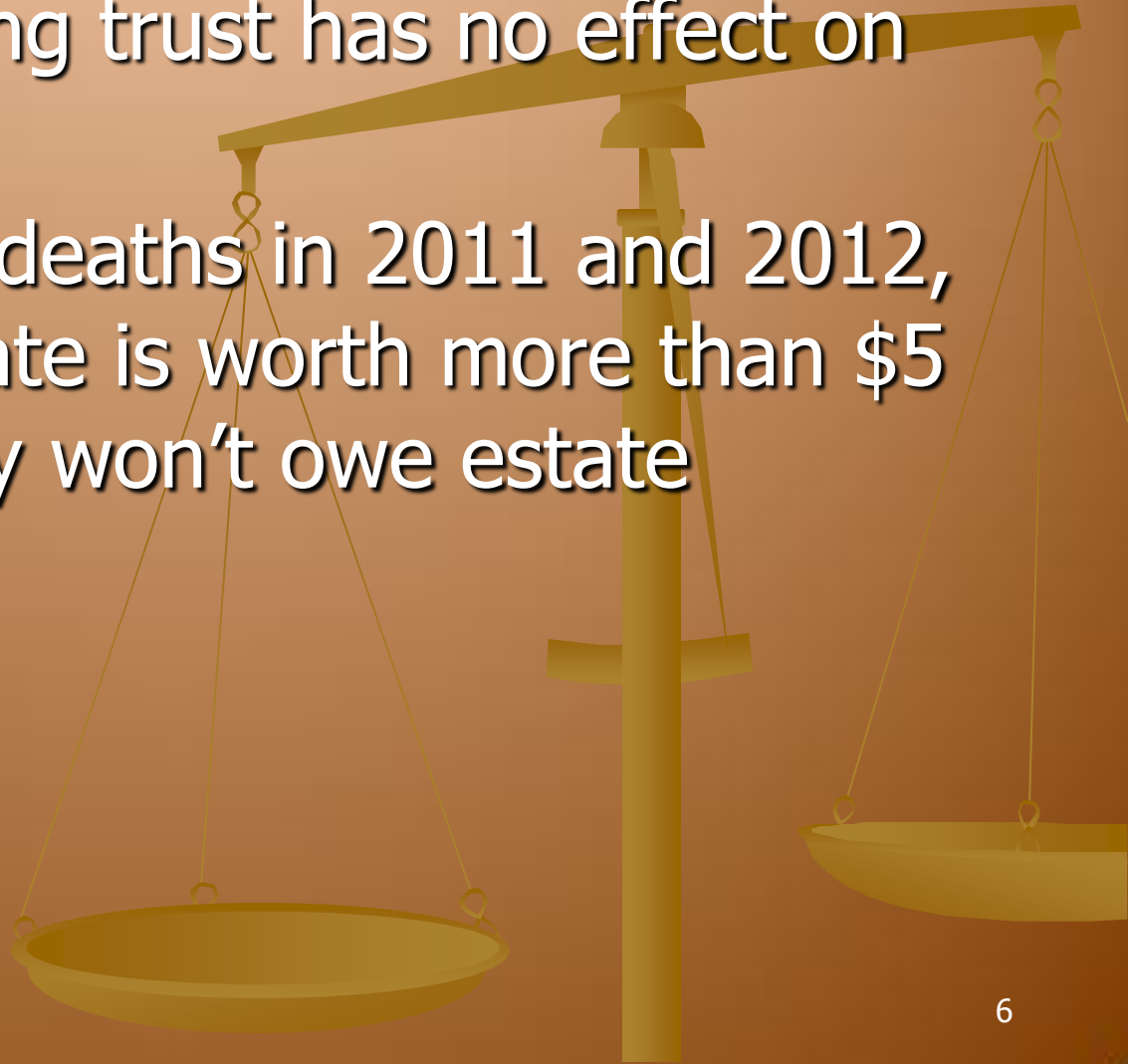
What are some advantages of holding title to property by means of a living trust?



- Pass property to others at your death without court proceeding known as probate.
- Don't be confused, probate is not an automatic legal process that occurs whenever some dies.
- So you should understand whether your estate is one that is likely to be probated, as you weigh the advantages of a trust.
- If your estate is worth more than \$100,000 it mean your heirs would consider probate.

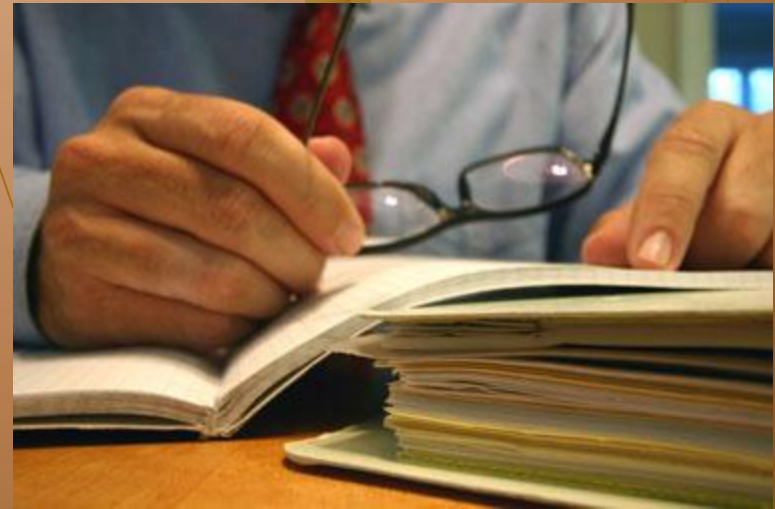
What About Paying Estate Taxes ?

- Generally, a living trust has no effect on estate taxes.
- Remember, for deaths in 2011 and 2012, unless your estate is worth more than \$5 million you likely won't owe estate taxes.



Why Does A Trust Avoid Probate?

- Property you transfer to the trust would likely not be subject to a court proceeding (probate) at your death.
- Your successor trustee would transfer it to your beneficiaries at your death.



What property can you put into your living trust?

- Savings Accounts
- Checking Accounts
- Mutual Funds
- Investment Accounts
- Life Insurance
- Stocks and Bonds
- Real Estate
- Personal Property
- And MORE...



How Do I Put Property In My Trust...?

- Crucial paperwork must be completed to “fund” your trust.
- For example, to put your house in your trust, you must sign a new deed showing that you own the house as trustee of your living trust.
- Property not “owned” by your trust does not pass to beneficiaries upon your death through the trust.

Does my living trust protect my property in the trust from creditors?

- Creditors can go after property in your trust just as if you owned it in your own name
- Property in a living trust is also subject to debts after you die



Do I need to prepare a will if I have a living trust?

YES. You need this “back up tool.”

Without a will, property not transferred into your living trust prior to your death may be distributed according to state laws, rather than in accordance with your wishes and intent



Can I name my living trust as the beneficiary of my ACERA benefits?

Yes, be sure to make changes to your ACERA beneficiaries in writing by contacting ACERA directly