

Planning for your assets during your lifetime

Revocable Living Trust

A revocable living trust may be right for you.

When you sign a revocable living trust agreement, you create an entity to hold ownership of your assets. Similar to the idea of creating a corporation or an LLC, a trust is a legal entity with its own name, which exists completely separate from you as an individual. By putting assets in the name of the trust, you are legally transferring ownership of the assets from yourself as an individual to the trust. However, you can continue to manage your assets just as you normally would, meaning you can continue to buy, sell, and use your assets as usual. And, because the trust is revocable, you can dissolve the trust at any time. There are many advantages to a revocable living trust, both during your lifetime and at death.

Planning for your assets during your lifetime is essential.

“Planning for your assets” means planning for things like paying your bills, managing the money in your bank accounts, managing any investment accounts you might own, such as an IRA or 401k, and taking care of any property you own, such as your home. We often think about planning for what will happen to our assets after we die, but it’s just as important to think about planning for your assets while you are still living.

Be prepared for unexpected illness or injury.

You can use a revocable living trust to plan ahead for the possibility that you may not always be healthy enough to manage your own assets. Unexpected illness or injury can happen to anyone. For example, if you are involved in an accident which causes you to be hospitalized or to lose consciousness, or if you become sick in a way which causes you to become confused or to lose your memory, you may not be able to manage your assets yourself. When you create a revocable living trust, you appoint a trustworthy person to take over managing the trust assets if you ever lose the ability to manage the trust assets yourself in the future. This can create a seamless transition for your loved ones to help with your finances if necessary, and it allows you to choose the person you trust the most to help you manage your assets if you need help in the future.

Get started.

The best way to start is to find an estate planning attorney to discuss if a trust is right for you. The “Get a Life Plan” webpage offers help finding legal assistance.