

Trusts, Trusts, and More Trusts

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What is a Trust?

Benefits of a Trust

Types of Trusts

What is a Trust?

“A trust agreement is a document that spells out the rules that you want followed for property held in trust for your beneficiaries. Common objectives for trusts are to reduce the estate tax liability, to protect property in your estate, and to avoid probate.”

- Estate Planning for Dummies

A TRUST:

- Is more powerful and flexible than a basic Will;
- Can be funded during life or after death;
- Can last for a short amount of years or continue for generations;
- Can hold title to a single piece of real estate or protect an entire family's accumulated wealth;
- Separates legal and equitable title between a trustee and a beneficiary.

What is a Trust?

A trust separates legal title and equitable title.*

* (who owns the asset and who benefits or enjoys the asset?)

Benefits of a Trust

- Probate Avoidance;
- Privacy;
- Control;
- Tax Planning;
- MassHealth Planning; and
- Inheritance Protection

Types of Trusts

- How the trust is created?

Express Trust: created by a trust grantor orally or in writing;

Resulting Trust: intent to create a trust implied by operation of law;

Constructive Trust: equitable creation to prevent unjust enrichment.

- When does the trust take effect?

Inter vivos trust (during the life of trust creator)

vs.

Testamentary trust (in a Will)

Types of Trusts

- Revocable vs. Irrevocable
- Grantor Trusts
- Third Party Trusts
- Supplemental Needs Trusts
- Pooled Trusts
- Insurance Trusts
- Pet Trusts
- Gun Trusts



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