

## Giving to the Next Generation through Trusts

**A** trust is a legal instrument. If you create a trust, you (the "grantor"), transfer assets or property to a "trustee" (a person or financial institution you choose). The trustee's job is to manage the trust assets for a third person (or persons) you name as the "beneficiary" (or "beneficiaries.")

### WHAT ARE THE TYPES OF TRUSTS?

- **Testamentary trusts** are a way of passing property at the time of death while often minimizing estate taxes.
  - » Trusts can protect minor heirs when they receive money or property but aren't old or mature enough to manage it. A trust assures that those assets will be managed by a trustee you name until the minors are old enough to make their own responsible decisions.
  - » The trustee not only manages the trust, but also distributes funds to your beneficiaries at intervals you determine when setting up the trust. The trustee can also "invade" the trust if a beneficiary has an unexpected need.
  - » Trusts protect your privacy since assets in a trust are not revealed in a will. In fact, trust property does not need to pass through probate – as does the property passed by a will.
  
- **Living trusts** can be set up during your lifetime.
  - » Living trusts are one way to have certain property managed for you while also saving on income taxes.

- » Living trusts can help protect you if you become disabled in such a way that you may not be able to manage your own affairs. The trustee manages the trust, and pays out money to the beneficiary (in this case, you) as it is needed.



Trusts can be revocable or irrevocable. When revocable, the trust can be changed or even revoked. If irrevocable, the trust cannot be changed once it is in force. Generally, irrevocable trusts have more favorable tax benefits.

### HOW DO YOU KNOW IF A TRUST WILL WORK FOR YOU AND YOUR FAMILY?

Trusts are complex legal documents with many different considerations involved. If you are thinking about estate plans or have a need for asset management now, contact a lawyer who is knowledgeable about trusts, taxes and estates to find out applicable trust regulations.

### GETTING HELP

For help with personal or workplace issues, contact your Employee Assistance Program (EAP). These confidential services are available to employees and their eligible household members 24/7.