

# REVOCABLE TRUSTS

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## OVERVIEW

Trusts are legal documents that let you put conditions on how and when your assets will be distributed upon your death.

## YOU MIGHT WANT TO CONSIDER A TRUST, IF ANY OF THE FOLLOWING APPLY:

### Protection for Heirs

- You want to leave your estate to your heirs in a way that is not directly and immediately payable to them upon your death - for example, you want to stipulate that they receive their inheritance in three parts, or upon certain conditions being met, such as graduating from college;
- Protecting their distributions from creditors or potential divorce.
- Trusts can also be used to protect assets from disqualifying a beneficiary from qualification for Medicaid or other government programs.

### Ensure Property Passes According to Your Wishes

- You want to support your surviving spouse, but also want to ensure that the principal or remainder of your estate goes to your chosen heirs (e.g., your children from a first marriage) after your spouse dies;

### Estate Tax Planning

- You and your spouse want to maximize your estate tax exemptions. If your estate exceeds the exemption amount (currently in excess of \$11,000,000) this amount can be placed in trust for the life of your spouse and then transferred to your descendants free of taxation in the estate of your surviving spouse; or

### Incapacity Planning.

- You want to prepare for management of your property in the event you are not able to manage your own financial affairs.
- If you are unable to handle your own affairs the Trustee you have named could step in and handle your financial affairs., which would avoid a court guardianship.

### Out of State Real Estate

- Placing out of state real estate in a trust allows you to avoid probate in that state.

### Avoid Probate

- Any assets in a trust will avoid probate proceedings.
- The trustees would have immediate access to the trust assets after the death of the Grantor.
- Since probate is a public record many people prefer the privacy that a trust can provide.

### Avoid Litigation

- It is much harder to contest the provision of a trust than the provisions of a will.

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