

Should You Include a Revocable Living Trust in Your Estate Plan?

For many people, a revocable living trust can be an effective tool for addressing a variety of estate planning needs. So, is a revocable living trust right for *you*?

Everyone's estate planning needs are different; and, while it will *often* make sense to create a revocable living trust as part of the estate planning process, for some people, a revocable living trust simply isn't the best solution. As you begin to think about your estate planning options, here are some considerations to keep in mind:

Do You Need to Minimize the Scope and Costs of Probate?

While certain aspects of probate are unavoidable, one of the primary reasons to create a revocable living trust is to keep the distribution of your estate separate from the probate process. For many people, probate can be unnecessarily expensive and time-consuming, and it can also present a greater potential for disputes among family members.

In Texas, there are two forms of probate: independent and dependent administration. If your estate will be eligible for independent administration, then it *may* not be necessary to place your assets into a revocable living trust. On the other hand, if your family would be forced to deal with dependent administration (which would mean significant involvement with the probate court), then forming a revocable living trust will generally be a more-desirable option.

Do You Have Very Specific Estate Planning

Goals?

If you have very specific estate planning goals, then it may be the case that a different planning tool will better serve your needs. For example, if you want to leave your entire estate to charity or your sole beneficiary is an adult child with special needs, then an irrevocable trust that is designed for one of these specific purposes may be a better alternative.

Will Your Major Assets Transfer Outside of Probate Without a Trust?

Some types of assets will transfer outside of probate even if you do not have a revocable living trust or irrevocable trust. For example, if you and your spouse own your home as “joint tenants with rights of survivorship,” then at death your spouse will automatically take full ownership of your home. Accounts with beneficiary designations (such as bank, investment and retirement accounts) will transfer outside of probate as well. If these types of non-probate assets make up the substantial majority of your estate, then creating a revocable living trust may not be necessary.

Of course, these are just general considerations; and, from tax planning to asset protection, there are various other factors to consider when deciding whether it makes sense to form a revocable living trust. If you have questions and would like to speak with an estate planning attorney in McKinney, TX, we encourage you to contact us for a free initial consultation.

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Schedule a Free Initial Estate Planning Consultation in McKinney, TX

To schedule a free initial estate planning consultation at The Nordhaus Firm, please call 214-726-1450 or contact us online. We will arrange for you to meet with one of our experienced estate planning attorneys in confidence as soon as possible.