

LIVING TRUST VERSUS LAST WILL & TESTAMENT

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Recently, I learned from a neighbor that a Living Trust is better than simply a Last Will and Testament. Another neighbor said that a Living Trust costs more than a simple will and is for people with millions of dollars of property and assets. What is the difference between the two?

There is a revolution accelerating across America to protect ourselves and the well-being of our families against probate, taxes, creditors, business failure, lawsuits and other occurrences that impact our daily lives. It is a revolution that focuses on putting our goals, fears, dreams, and concerns for our families ahead of our personal aspirations by protecting all we have acquired by utilizing the most effective estate planning tool: the Living Trust. It is for anyone who owns property or assets regardless of the amount of their wealth—not simply for millionaires with large estates.

THE TIME IS NOW

The term “Living Trust” may be new to many. Think of it as a method of providing for yourselves and loved ones in the event of incapacity or death. How will you manage all that you have worked for and saved in the event of incapacity? And how will you pass your legacies—your assets—to your heirs in the event of your passing? If you wait until incapacity or death, your legacy may quickly evaporate, causing financial impact, grief, burden and disappointment for you and your family.

During the next five to ten years, trillions of dollars will be passed from one generation to the next as a result of the baby boomer generation, which has become the largest group of retirees in the history of our nation. The baby boomers are realizing that, in order to solidify their goals, overcome their fears, pass on their dreams and alleviate their concerns for themselves and their loved ones, estate planning is as essential as owning a car, a television or a computer.

AVOID THE CONFUSION

Confusion and concern over the possibility of disability, failed marriage or remarriage, business recession, lawsuits, creditors' claims or bankruptcy has led to this revolution. Do you want the inheritance you leave decimated by legal expenses for a living probate, taken by a stepparent if your spouse remarries, going to your daughter-in-law or son-in-law, or seized by creditors? What if you have a blended family with children from previous marriages? Or what if there is a wide age

range between your children? How can you give the same benefits to a younger child that you gave to an older child for educational costs, healthcare, etc. without short changing the younger child's inheritance or without denying the older child full use of his or her inheritance while the younger child is growing up? Many such issues can and should be addressed through effective estate planning.

THE WILL VERSUS INTESTACY (Requires Probate)

Traditionally, estate planning meant doing nothing at all or preparing a will. Without a will, the state intercedes with an **intestate** proceeding to manage your estate following your death. In both cases, **probate**, a lengthy and costly process, will result, causing emotional hardship on your beneficiaries, impacting the lives of minor children, and more. It is a public process that allows anyone to review the probate records, such as creditors, solicitors and distant heirs, to make claims against your estate.

THE LIVING OR REVOCABLE TRUST (Doesn't Require Probate)

It is not about how much you give, but about the care you put in to it. This is what trust planning is all about and why more and more people are learning about the Living Trust. It is revolutionizing the way people plan their estates. A Living Trust takes more time and is more complex than a will, but people now realize that it is worth it and their families are worth it, too. Furthermore, it doesn't require probate.

Whether you choose a Living Trust or a simple Last Will and Testament, either is better than no estate planning whatsoever.

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