



REVOCAABLE TRUST

This trust is created by the client (called “Grantor”, “Settlor”, “Trustor”, etc.). A trustee is the person who agrees to accept the property and manage it as the trust agreement directs. The client has full right to amend and revoke the trust or any provision thereunder during the client’s lifetime. A Revocable Trust avoids the need for probate and can provide for effective distribution of assets to heirs at death. A Revocable Trust can also provide extensive personal and detailed instruction for family in the event of client’s disability. The client has access to all income and all principal at any time, but none of the assets in the revocable living trust are protected from having to be spent on nursing home care. All assets held in the Trust would be considered “available” for purpose of Medicaid qualification.

➤ FEATURES

1. Revocable trust is created by client (individual or joint).
2. Client can be sole or co-trustee.
3. Client retains right to income and/or principal from the trust.
4. Client retains right to modify or revoke the trust at any time.
5. Client can make extensive “directions” for disability and/or income and/or principal use in distribution.
6. Grantor Trust under IRC §671-678.

➤ WHO COULD USE & BENEFIT FROM

1. Clients who want to avoid probate and get assets to children effectively and quickly.
2. Clients who wish to provide extensive disability instructions and avoid guardianship in the event of incapacity.
3. Clients who want to maintain full control and access to all assets at all times.
4. Clients who want to provide asset protection to their heirs after death or to protect “spend thrift” or disabled beneficiaries.
5. Clients who wish to keep their affairs private (do not have to share with children or public).
6. Clients who wish to retain ownership for full step-up asset values at death.

➤ WHAT IT DOES NOT DO

1. Does not eliminate the need for a will.
2. Does not protect client from creditors, including nursing homes and Medicaid.
3. Does not eliminate the need for Power of Attorney for Financial Management.

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