



Trust Benefits

By Pamela Fleener, Vice President & Senior Trust Officer

A wise estate plan makes use of carefully drafted documents that precisely indicate your intentions and then provide the powers to fulfill them. A trust is one of these documents. It is a unique legal arrangement under which one person or institution controls property given by another person for the benefit of a third party.

There are many kinds of trusts and they all share the same definition: “A fiduciary relationship in which the trustee holds title to property for the benefit of another during the trust term.” Ultimately the trust principal will be distributed to individuals, charitable organizations or others, according to the terms stated within the trust document.

What are some benefits of trusts?

Allows you to direct how your estate is managed and spent after your death.

Trusts can protect your assets while providing for the care, support and education of your surviving spouse, children and other beneficiaries. Trust distributions are made according to the provisions you establish by turning over assets at certain ages or upon other terms chosen by you.

Reduces or eliminates estate taxes.

A well-written trust can shelter your estate from tax liability upon your death. How much saved depends upon several factors including the size of your estate and the estate tax laws at the time of death.

Avoids probate

With trust administration after death, there is no court supervision therefore a trust can avoid some of the costs and lack of privacy concerns related to probate.

Allows you to choose your own Trustee

You can be your own trustee, co-trustee or name a third party. This can give you great flexibility and peace of mind knowing your estate will be managed by someone you have selected and trust.

Provides continuity of management upon your incapacity or death

If you become disabled, unable to manage your estate or die your trustee can continue managing your assets without the need for court involvement.

Who Needs A Trust?

A trust can be a useful tool in your estate planning process, as can a properly constructed will. There are many estate planning techniques and strategies that involve both trust and wills. Your need for a trust will depend on several factors. For example, the larger and more complex your estate becomes, the greater may be your need for the use of effective tax strategies that a trust can accomplish. Visiting with your attorney is the first step in establishing a trust. Our staff can work closely with you and your attorney to assure the document effectively communicates your needs.

In our next edition, we will discuss a variety of different types of trust and their uses. To learn more, please call or email to set up an appointment.

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