

Top 10 Reasons to Use a Trust in Your Estate Plan

The trust is a flexible document for you to control who gets what and when from your estate.

Statistically most people who inherit money from the estate will spend their inheritance within the first two years. Also, over 50% of lottery winners go bankrupt. The trust is useful to control the Inheritance so that your heirs inherit their money over a period of years and hopefully avoid bankruptcy.

Money can be a curse is an old saying. But that is so true that for many families and individuals. Their inheritance of money may cause more damage than good for them.

The trust is useful to protect your inheritance from your money going to wrong heirs, being subject to wasteful spending by heirs and protecting your heirs from making bad investments.

In addition, the benefits of using three special trusts will be outlined in detail:

1. Retirement Trust for children to hold assets in trust during lifetime and distribute 4% of trust assets per year to beneficiaries and begin a lifetime annual annuity payout at age 62. Concern - Baby Boomer's children cannot rely on Social Security and need to accumulate money for their retirement.
2. Special Needs Trust planning for special needs children and adults to provide financial help for expenses not covered by government assistance. Concern - Baby Boomers want to provide for the financial security of their special needs children, adults and grandchildren.
3. Medicaid Planning Trust to help elderly parents protect assets from nursing home costs. Concern - How to avoid spending most, if not all, of retirement assets on nursing home costs.

This workshop will provide attendees with in depth insight regarding why most individuals and married couples choose to have a trust in their estate plan. In addition, three special trusts will be discussed in detail. And finally, attendees will get answers to all of their trusts questions.

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While trusts may seem necessary only for the wealthy, there are actually many benefits for creating them, even if you are a member of the middle class. Here are the top 10 reasons why you might consider using a trust in your estate plan:

1. *Wrong heirs.* A trust can keep your estate assets in your blood line and not to your heir's in-laws or your surviving spouse's new partner. A trust can delay distributions so that your grandchildren inherit your estate after the death of your children instead of your children's spouses.
2. *Wasteful spending.* Some experts estimate that heirs spend 80% of their inherited money in the first 18 months of receiving their inheritance. Without a trust in place, your heirs will receive their inheritance outright. A trust can protect your heirs from quickly depleting their inheritance by spacing out distributions over a certain number of years or for their lifetimes.
3. *Worthless investments.* A trust can protect your loved ones from investing their inheritance in worthless investments that will quickly deplete their inheritance or provide little to no return.
4. A trust can ensure that assets and IRA/pension plans are used to provide for the surviving spouse for life, rather than being liquidated and spent on a new partner.
5. A trust can control how assets are allocated among children and step-children upon the death of the surviving spouse. If you have a blended family and have children from a prior marriage, a trust can ensure that all of your children will be taken care of after your surviving spouse passes away.
6. A trust can maximize federal estate and income tax savings, if necessary. Old A/B Trusts need to be amended.
7. A trust can control/hold assets in trust and limit distributions if heirs have alcohol/drug issues. Failure to leave your estate in trust to these individuals means they might stop working or going to school and use their inheritance to fund their lifestyle of drugs and alcohol.
8. A trust can create asset protection for heirs from their creditors. Failure to leave your estate to your heirs in a trust means that family members own the assets outright and if they are subject to a lawsuit or the claims of their creditors, their inheritance may be lost to their creditors. Inherited IRAs also can get asset protection with a trust.
9. A trust can avoid probate delays, costs, and burdens for your loved ones. Probate is costly, stressful, and time-consuming. The only people who benefit from probate are the attorneys.
10. Lastly, a trust can keep your estate private from the public. Simply implementing a Last Will and Testament will not keep your estate private.

The purpose of establishing a trust is to ultimately help you determine and implement who gets what and when. When you meet with your estate planning attorney, make your intentions known so that your trust can be tailored to your specific needs. It becomes extremely important that your trust be properly drafted and funded, so that you can maximize all the benefits a trust has to offer.