

Revocable Living Trust FAQs



GreenState
TRUST SERVICES



What is a Revocable Living Trust?

A Revocable Living Trust is a legal document drafted during your lifetime that states how you want your assets managed and distributed during your lifetime, in the event of your incapacity, and upon your death. Trusts help avoid probate, conservatorship proceedings, and maintain post-death control of assets.

What is probate?

Probate is the court-supervised process of administering a deceased person's estate in absence of a trust. This generally involves collecting a deceased person's assets, paying debts and taxes, and then distributing remaining assets to heirs. Probate varies by state and even county to county, but certain things are universally true.

- Probate is a public process with wills (if there is one) and heirs listed for anyone to access or solicit.
- Most jurisdictions have lengthy wait times before distributing your money to heirs/beneficiaries.
- Court and probate fees can erode the amount your loved ones receive from your estate.

How is a trust different from a will?

While a will can be an important estate planning tool, its power only takes effect upon death. A trust, on the other hand, allows your successor trustee to carry out your wishes in the event of your death or incapacity, including illness.

How does a trust work?

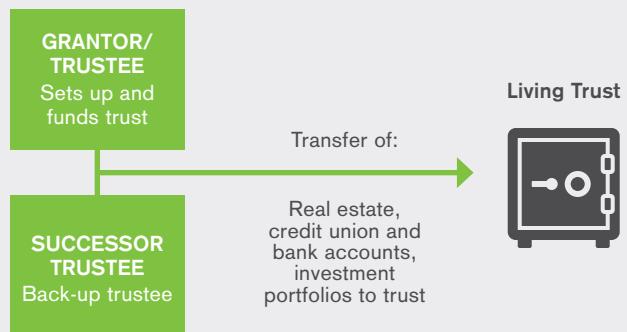
Why is it important to plan ahead for incapacity?

Without a plan in place, the court will appoint an individual ("guardian" or "conservator") to act on your behalf, if you are no longer able to handle your own affairs.

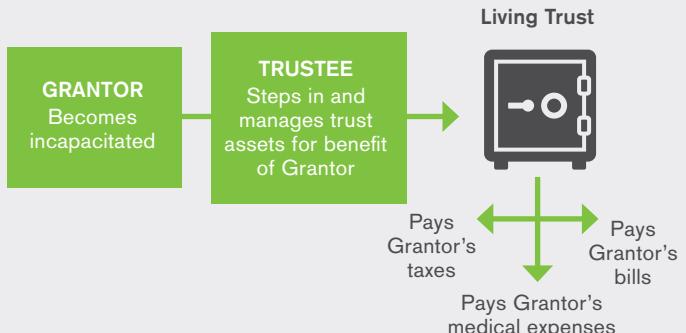
What are the steps involved in setting up a trust?

1. Generally, you (the "grantor") establish a trust that includes all of your probate assets, and name yourself as both trustee and sole beneficiary for your lifetime.
2. You designate a successor trustee who will step into your shoes when you can no longer serve due to death or incapacity.
3. You identify your beneficiaries, who will receive assets from the trust upon your passing.
4. For a trust to fulfill its objectives, you must then "fund" the trust by transferring legal title of certain assets from your name to the name of the trust.
5. As the grantor--provided you have capacity--you continue to manage, own, and pay taxes on trust assets during your lifetime. In other words, you do not need to file a separate tax return for the trust.

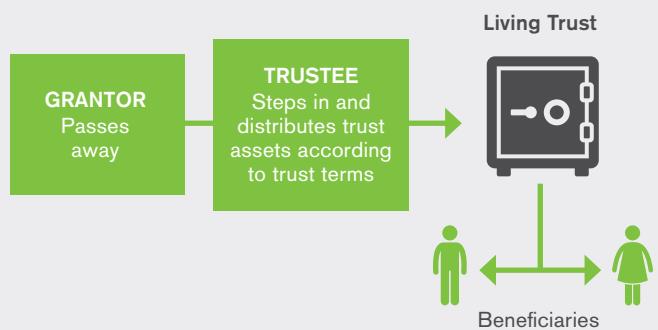
Funding the Trust



Upon Grantor's Incapacity



Upon Grantor's Death



Who needs a trust?



Anyone looking to preserve family harmony



Anyone with loved ones with special needs



Anyone with children from a former relationship



Anyone with loved ones who are irresponsible with money



Anyone wanting to plan for incapacity



Anyone with no/distant kids

What does a trustee do?

- ▶ **Notify Creditors** - Notify creditors of decedent's death; pay debts
- ▶ **Communicate Often** - Provide written notice to beneficiaries
- ▶ **Collect & Appraise Assets** - Collect assets; conduct appraisals to determine value
- ▶ **Provide Accountings** - Provide accountings to beneficiaries
- ▶ **Secure & Sell Property** - Change locks on trust properties; prepare for sale
- ▶ **File Tax Returns** - File income tax returns and federal death tax returns
- ▶ **Distribute Assets** - Distribute remaining assets to beneficiaries

Revocable Living Trust FAQs

What are the benefits of a corporate trustee?

Objectivity.

A corporate trustee has the emotional sensitivity to handle legal and financial matters and communicate with beneficiaries with confidence and compassion.

Family Harmony.

A corporate trustee is fair and staffed with legal and investment professionals who have an obligation to act in the best interest of your beneficiaries.

Peace of Mind.

A corporate trustee is regularly audited to ensure the appropriate policies and procedures are in place for proper trust administration.

Why Designate GreenState Trust Services as your trustee?

One of the most important decisions you can make is the selection of a trustee. GreenState Trust Services, powered by Members Trust Company, is an ideal choice for anyone looking to relieve their family of the burden of dealing with the complex details of trust administration. Our Trust Officers live and are involved in the communities we serve. We take a team approach to investments and trust administration. GreenState Trust Services make sure our clients get to know our entire team and not just the assigned Trust Officer. This philosophy of teamwork extends outside our organization through collaboration with our clients and their entire network of professionals – attorneys, accountants, medical teams, caregivers, elder care, and others our clients rely on.

GreenState Trust Services brings emotional sensitivity to the handling of legal and financial matters and communicating with beneficiaries. We are fair, objective and staffed with legal and investment professionals who have an obligation to act in the best interest of your beneficiaries. We are regularly audited to ensure the appropriate policies and procedure are in place for proper trust administration.



Susan Ahlers Leman, JD
Senior Trust Officer
o: 515-955-0606
c: 515-835-1419
SusanAhlersLeman
@GreenState.org



Carla Hughes, JD, CTFA
Vice President/Trust Officer
o: 563-235-2376
c: 515-249-1719
CarlaHughes
@GreenState.org

Trust services provided by Members Trust Company, a federal thrift regulated by the Office of the Comptroller of the Currency. Trust and Investment products are not federally insured, are not obligations of or guaranteed by the credit union or any affiliated entity, involve investment risks, including the possible loss of principal. This is for informational purposes only and is not intended to provide legal or tax advice regarding your situation. For legal or tax advice, please consult your attorney and/or accountant. This is for informational purposes only and is not intended to provide legal or tax advice regarding your situation. For legal or tax advice, please consult your attorney and/or accountant.