



CREDIT UNION TRUST – ARTICLE 3 A TRUST, A WILL OR BOTH? CHOOSE THE RIGHT ONE FOR YOU!

Trusts and wills come in many varieties. Today we're going to focus on two of the more popular choices – a revocable living trust and last will and testament.

A trust is a legal entity established to help you protect, preserve and grow the assets you accumulate during your lifetime. Your trust can hold assets such as your investments, homes, properties, collectibles and other assets, eventually distributing them when you die according to your wishes. Advantages to having a trust include: control over your wealth, protection of your assets for future generations, elimination of the probate process, potential tax savings and naming a trusted individual to take charge should you become incapacitated. It's commonly thought that wills cover all these things – but they do not!

Wills and trusts can work “hand-in-glove” but serve two very different purposes. While everyone should have a will, not everyone needs a trust. However, many people find both beneficial. Wills take effect after a person dies and include instructions on who should be guardian of any children, funeral arrangements, and details of property not titled in the trust. A will is also subject to the probate process which means your will is public record. Anyone can go to the courthouse and learn about your and your family's financial affairs.

On the other hand, a revocable living trust in effect while you are alive, serves as the “holder” for all assets you put into it and clearly spells out who receives what. Trusts are not subject to probate, and so your matters remain private. Your family saves time, money, and avoids potential confrontations between family members. A revocable living trust allows you to add or subtract assets while you're alive, but on your passing becomes irrevocable.

At that point, your estate is settled, and the trust is the official document that determines when and what assets your family and beneficiaries receive. It also serves as the roadmap and set of instructions for the trustee on how to settle the estate.

Your choice of trustee is an important one. It can be a thankless, time consuming task that comes with great responsibility and the potential for significant conflict within families and between other beneficiaries. That is the number one reason why many people choose to have a corporate trustee. When a corporate trustee such as Credit Union Trust is named in your estate planning documents, your family and beneficiaries are free to focus on the things they find important and with the peace of mind knowing that a professional trustee will settle the estate in a timely, efficient, and accurate manner.

Credit Union Trust was established by Alpena Alcona Area Credit Union to serve the needs of our members by providing these and other related services at the critical times in life when they're needed. Credit Union Trust has an experienced team of professionals that are here to help with all such trust and family planning needs for today and future generations. If you would like to learn more or speak to a Credit Union Trust advisor, please call Credit Union Trust at (877)-730-6109.