

Why You Should Consider Creating a Living Trust

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Very few things in life are certain, especially relating to money and wealth. If you are one of the millions of Americans who has worked hard to build your estate and create a foundation of wealth for your family, you understand the fragile nature, especially in light of the recent economic downturn in our country and around the world.

That is why there is no better time than now to create a living trust. If you have planned meticulously, working hard to ensure financial security for your loved ones, why should you leave out one of the most important part of wealth management: preparing for the future of your estate when you are no longer around to oversee it.

The fact is that many people fail to realize how important a living trust can be, and that now is the best time to take advantage of this estate planning option.

Accounts held in revocable trusts and living trusts are generally FDIC-insured, so long as the financial institution is a member of the FDIC, meaning that your assets are protected if the bank holding your trust files for bankruptcy or collapses.

FDIC insurance limits now cover up to \$250,000 per trust beneficiary.

You retain complete ownership of your revocable trust account and it is only payable on death. You can alter it in any way you see fit while you are still alive.

Economic uncertainties do not affect living trusts like they affect retirement accounts that are primarily invested in stocks. Living trusts do not dramatically fluctuate with the markets, and hold whatever value you place within them.

If you are looking into various estate planning options, consider asking an estate planning attorney about creating a living trust. Many individuals prefer living trusts to wills, as they facilitate the efficient transition of wealth without the need for invasive and time consuming probate, while retaining flexibility to plan for tax reduction and/or business succession planning.

You may wish to contact an attorney who specializes in trusts to answer any questions or concerns you might have about the fiscal integrity of a trust account in light of our current economic situation. Because, let's face it: economic conditions do change and your estate plan needs to adjust to that change so that your wealth remains secure for the next generation.

Whether your estate planning goals are immediate or long-term, a qualified California estate planning attorney will be able to counsel you on the best options available to you to meet your individual needs.

