

INSTRUCTIONS FOR TRANSFERS TO A REVOCABLE TRUST

If you have created a trust for the purpose of avoiding probate, you **MUST** transfer assets into the trust. Assets owned in your own name without beneficiaries listed **WILL** go through probate at your death. While in many instances we have created a will that “pours” assets into your trust, a will is a probate document. For any provisions of the will to take effect, the will must be admitted to the probate court and the executor must complete the probate process. That process often takes time and money. If assets are properly titled in the name of the trust, the probate process is not necessary. In some cases, avoiding probate can result in significant cost and time savings.

Here are some instructions as you transfer assets to trust.

1. Jointly owned assets will not go through probate but will pass to the survivor of the joint owners. Joint ownership is problematic if the two owners die simultaneously and in some cases, the effects of joint ownership are not intended. You **SHOULD** not use joint ownership as a mere convenience unless you understand that the survivor will own the asset with no obligation to distribute in accordance with the will or trust. It might be appropriate to have a small joint account for convenience.
2. Assets with named beneficiaries avoid probate and pass to the named beneficiary. You should never have minor children as beneficiaries and you should think about your objectives when naming beneficiaries.

TRANSFERRING ASSETS

- A. **Retirement assets or accounts known as “qualified” assets.** These are accounts in which you have saved money tax deferred. Income taxes will be due on these accounts either when you are required to take distribution or upon your death. A spouse is the only person who can continue to own the assets in such accounts tax deferred by “rolling” them to his or her own IRA. Other beneficiaries, including children, must pay taxes. Beneficiaries may choose to stretch the taxable payments over their lifetime or pay the taxes immediately. You should ask the account holder for a change of beneficiary form to transfer these assets as desired. You will **ALWAYS** remain the owner but you have choices as to naming beneficiaries. The best way to deal with retirement assets for income tax purpose is the following:
 1. If you have a spouse and have a joint trust, name your spouse as the primary beneficiary.
 2. If you have adult children and have no intent to hold assets in trust for them after your death, you should name the children as the primary beneficiaries if you are unmarried or name the children as contingent or secondary beneficiaries if you have named your spouse as primary beneficiary.

3. If you have minor children or a trust will provide for beneficiaries after your death, you should name your trust as beneficiary of these assets.
- B. **Real estate** should be conveyed to trust. You need a new deed for each piece of real estate that you own. An Attorney can prepare those deeds for you. The new deed will transfer the property to the trustees of the trust (usually you).
- C. **Personal property** should be conveyed to the trust. Generally you signed a Bill of Sale for these assets when you signed the trust. The Bill of Sale conveys all UNTITLED personal property to the trust. Once those assets are in trust, you can make a list of specific things to go to certain people if you choose.
- D. **Cars** and other titled personal property should be conveyed to the trust. You can use the information we provided below to assist you in doing this. While cars will pass automatically between spouses in many instances, that will NOT happen for any other beneficiary.
- E. **Bank accounts and investment accounts** should be retitled in the name of the trust. Your financial advisor can assist you in accomplishing this. You are likely to need a copy of your trust as you change the accounts into trust.
- F. **Stocks and bonds** need to be retitled in the name of the trust. Your financial advisor can help with this task as well.

Below is the information you need to fund your trust. Each account holder will probably have its own form but the information below will give you all the information you need to fill out the various forms.

Name of Trust: _____

Name of Trustees: _____

Date of Trust: _____

Tax Identification Number of Trust: Your Social Security Number