

1 ☐ Now You Have a Trust

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2 ☐ Introduction

- What we are NOT trying to cover
- Who is here
 - Clients
 - Family members
- Materials
 - Seminar Booklet
 - Outline
 - "What My Family Should Know"

3 ☐ Types of Trusts

- Revocable vs. Irrevocable
- Living vs. Testamentary
- Trustors, Trustees and Beneficiaries
- Specialized Trusts
 - "Crummey" trusts
 - QTIP trusts
 - "Special Needs" trusts

4 ☐ Overview

- Why did you establish a trust?
- Among the common reasons:
 - Avoiding probate
 - Reducing estate taxes
 - Controlling final distributions
 - Protecting against incapacity

5 ☐ Trust Administration Issues

- Funding
- Income taxes
- Accounting
- Investments and recordkeeping
- Amendment and Restatement
- Incapacity of a trustor
- Death of a trustor

6 ☐ Funding

- Why is it important?

- Probate avoidance
- Estate tax minimization
- Centralized distribution provisions
- What does it mean?
 - Titles to houses, accounts, automobiles
 - Beneficiary designations
- New acquisitions

7 ☐ Funding—Special Rules

- IRAs and qualified retirement plans
 - “Designated Beneficiary” and income taxes
 - Adequate funding for “Decedent’s” trust
 - Specialized trusts
- Life insurance
- Automobiles
- Operating bank accounts

8 ☐ Income Taxes

- Tax Identification Numbers (TINs) and when you need them
- Separate trust return not required until death of a trustor (usually)
- “A/B” trusts require separate return for “Decedent’s” portion after death, but no additional tax liability

9 ☐ Trust Accounting

- Accounting to yourself
- Accounting to remainder beneficiaries
 - Before trust becomes irrevocable
 - After death of one trustor
- Successor Trustee’s duty to account
 - To trustor
 - To remainder beneficiaries
 - To lawyers and courts

10 ☐ Investments

- The “Prudent Person Rule”
- The “Prudent Investor Rule”
- What changes are necessary...
 - ... now?
 - ... after death of a trustor?

11 ☐ Amendment

- No amendment necessary for changes of name, marriage, etc.
- Amendment may not be possible if ...
 - Trust is irrevocable

- One trustor is deceased
- Amendments should be formal
- "Restatement" may help make trust more comprehensible

12 ☐ Incapacity of Trustor

- Defining incapacity
- Convincing banks, brokers, etc.
- Change in accounting, income taxation
- Duties of Trustee/Successor Trustee

13 ☐ Death of Trustor

- "A/B" trusts
 - Dividing assets
 - Probate and estate tax returns
 - Administering the "Decedent's" trust
- Death of last trustor
 - Estate tax returns
 - Distribution and closing
 - Continuing trusts

14 ☐ Miscellaneous

- Safe deposit boxes
- Personal property lists
- Creditor protection
- Nursing home costs
- Recording requirements and the "Certificate of Trust Existence"