

Revocable Trusts

Revocable trusts can be used to achieve a variety of goals, including avoiding the so-called "probate process," providing a mechanism to manage property during the owner's lifetime, and as an arrangement to facilitate later financial and estate planning.

Revocable trusts also provide a measure of confidentiality not offered by traditional Wills. A property owner's Will and, in some cases, the assets or the amount it disposes of, may be a matter of public record. Some individuals may wish to maintain confidentiality with respect to the nature of dispositions made at death and/or the nature of their assets. Such confidentiality is more likely to be achieved through the use of a revocable trust than a Will.

In addition, revocable trusts offer more flexibility over one's affairs than a Will or power of attorney because the trustee of a revocable trust may be able to take action on behalf of an incapacitated property owner which no executor or attorney-in-fact could take. For example, usually no one but the property owner can make amendments to his or her Will, and in some cases, the Will may be out of date or not produce the intended effects sought. The trustee of a revocable trust, however, can be authorized to make changes to the revocable trust, including changes which will take effect at the property owner's death.

Thus, revocable trusts can be powerful tools in financial and estate planning, and in many cases, there will be no adverse effect of using a revocable trust and significant savings can be achieved. Creating and funding a revocable trust, however, can involve significantly more expense than executing a Will. In some cases, it will be difficult to determine whether incurring this expense will be cost effective. It is important to carefully review your individual facts and circumstances with your estate planner before deciding to use a revocable trust rather than a Will as the primary instrument for the disposition of your assets at death.