



Will vs. Living Trust

Will vs. Living Trust	Will	Living Trust
Distribution of Assets	<p>Wills usually take longer than living trusts to settle and incur more costs through probate</p> <p>A separate probate will be required if real estate is owned in other states</p>	For dispositions in trust, you are limited only by the requirements that the trust is created for a legal purpose and the trust's provisions do not violate public policy, and that its provisions are enforceable.
	<p>Wills and Trusts:</p> <ol style="list-style-type: none"> 1. You decide how your estate will be distributed and you may dispose of your property as you choose. 2. Property can be distributed to trustees of your choice to manage the property on behalf of incapacitated adults, minor children, children with special needs or beneficiaries who might need protection from creditors and their own unwise decisions. 3. You can direct that your property be available to your surviving spouse during his or her lifetime and pass to your children—perhaps children from a previous marriage—upon the surviving spouse's death. 	
Disability	A Power of Attorney (POA) is a necessity with any will-based estate plan. The POA is more difficult to implement and the disabled person's assets could be subject to a court supervised guardianship.	If the Trustor becomes disabled, the trust continues to manage assets upon the trustor's disability and there is less risk of a guardianship.
Privacy	No privacy, the will becomes a public record in the county where the decedent resided.	Private unless the trust is improperly prepared or the trust is not funded with assets.
Tax Planning	No significant differences	No significant differences
Creditor Protection	None while alive; some protection if creditors do not make a claim within 6 mos.	None while alive; typically most wills and trusts direct that all valid debts be paid.
Effort	Most wills require less effort upfront (unless significant tax planning) more effort later by the surviving spouse and then by the final recipients.	More effort up-front to transfer assets to the trust
	If tax planning is required the cost difference between wills and trusts diminishes.	
Costs	Fees Range from \$600 to \$2,000 to create a will and then \$1,500 to \$2,500 for probate.	Fees Range from \$1,500 to \$3,000 to create a living trust. Costs later are usually minimal.

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