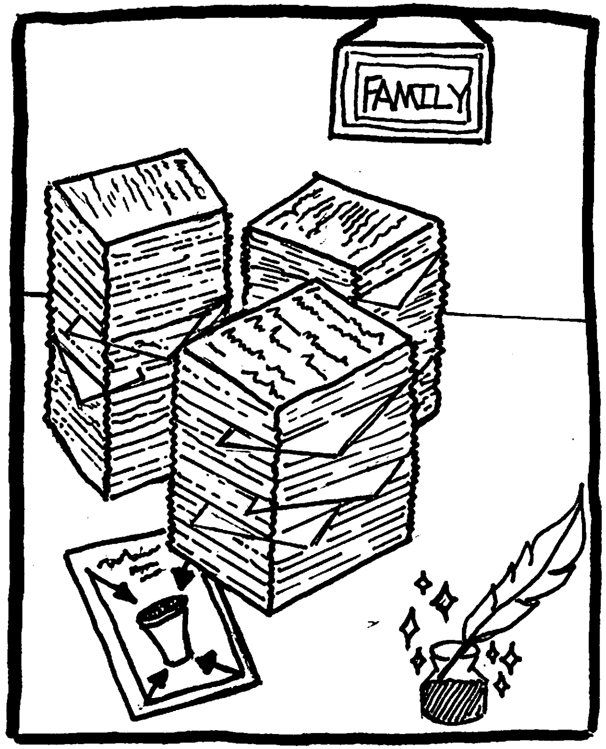
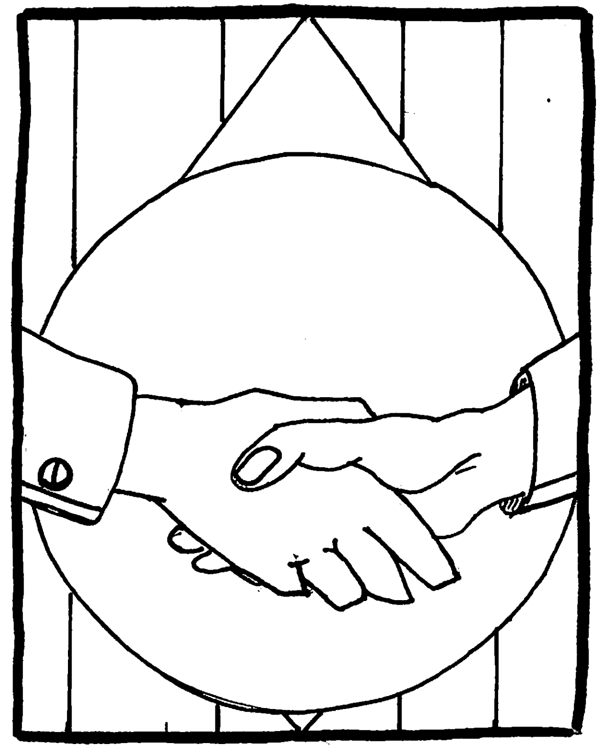
MR. TRUST

Your New Favorite Superhero!

TAKACS MCGINNIS
ELDER CARE LAW

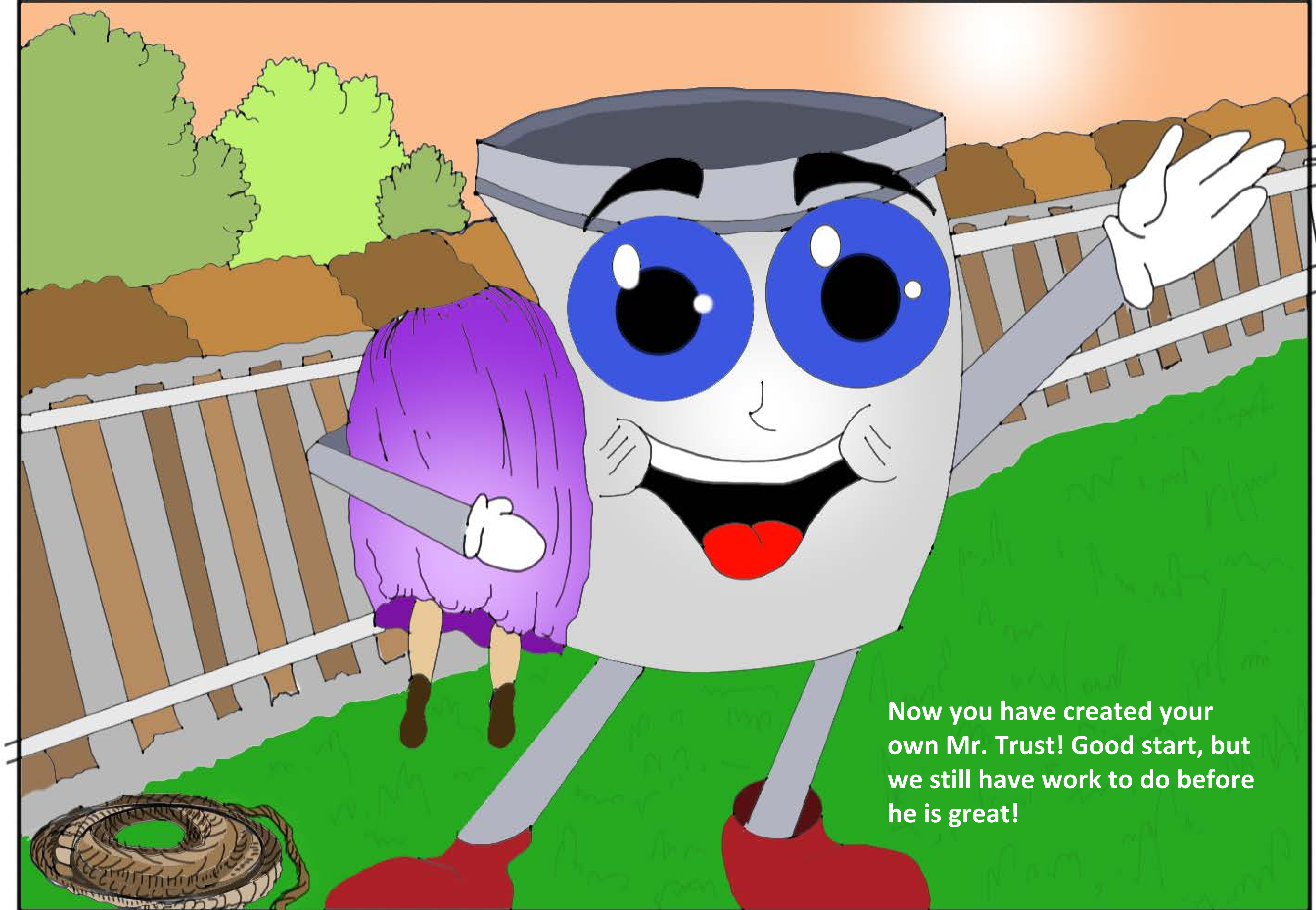


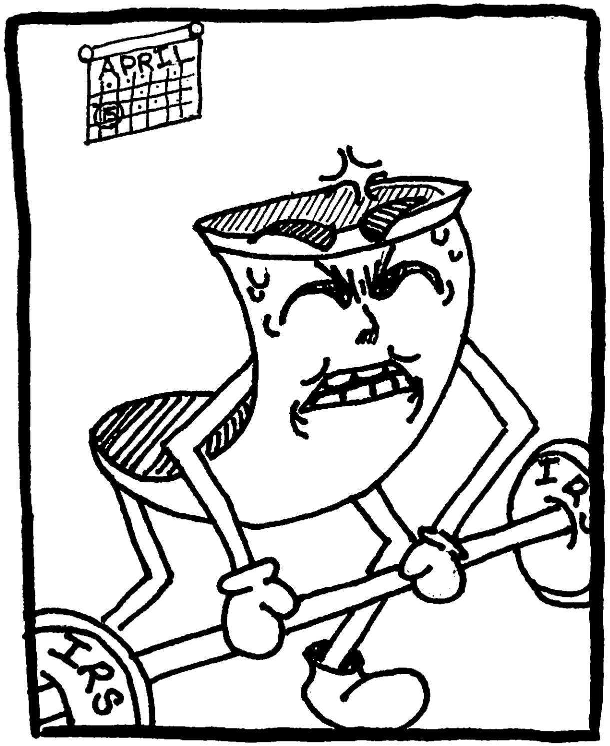


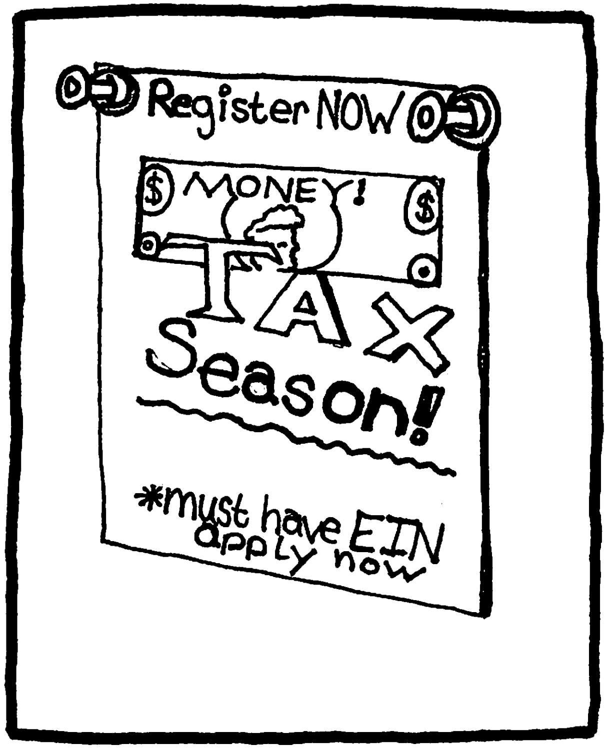
Families come into our office with many worries, needs, and goals. Some worry about protecting assets, but many others are more concerned about paying for the care they need now or in the future. The journey always starts by identifying the goals for representation.

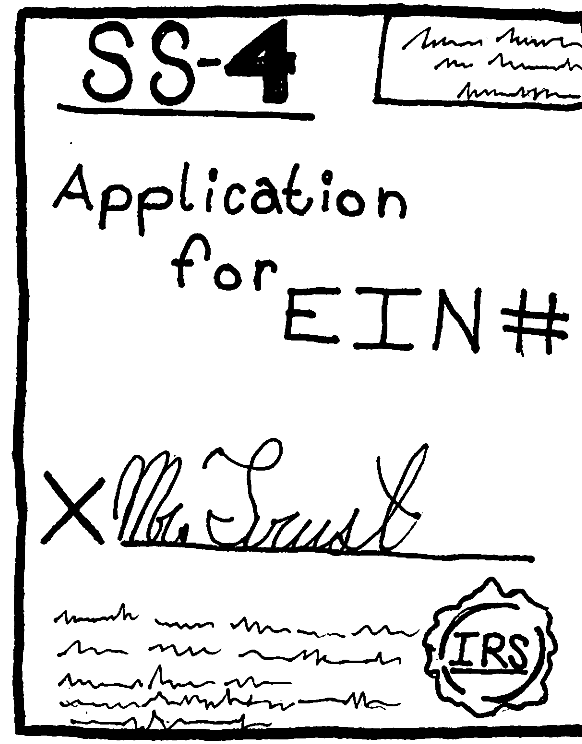
Often times a TRUST is a useful estate planning tool and can be helpful in meeting certain goals. A trust is a legal way of holding, managing, and distributing assets. If wealth preservation is a goal, then we are usually talking about an irrevocable trust.

After discussing the issues and clarifying the goals and purpose of a trust, we need to identify an appropriate trustee and beneficiary. The trustee is the entity who will manage the trust assets and the beneficiary is the person or persons for whom the trust is established.


Now you have created your own Mr. Trust! Good start, but we still have work to do before he is great!





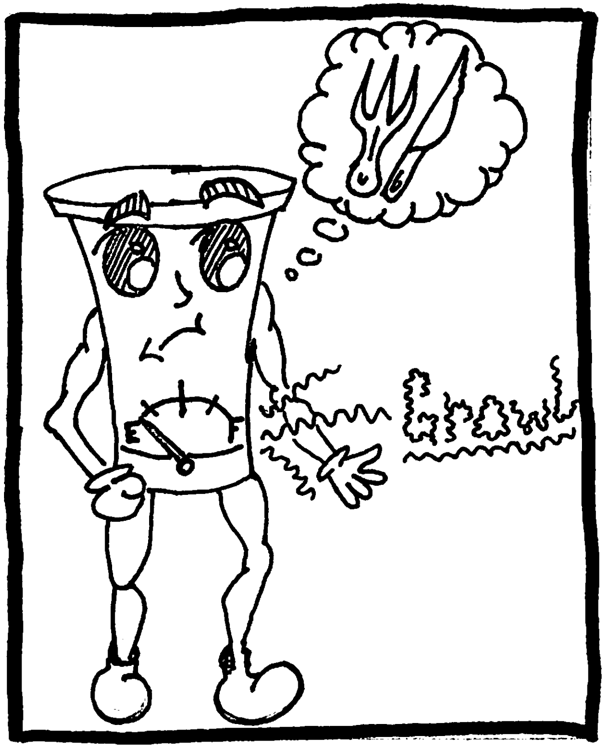


Setting up and administering a trust is a five step process. Once a trust is created, there is still a lot of work yet to do and Step 2 is tax recognition with the IRS!

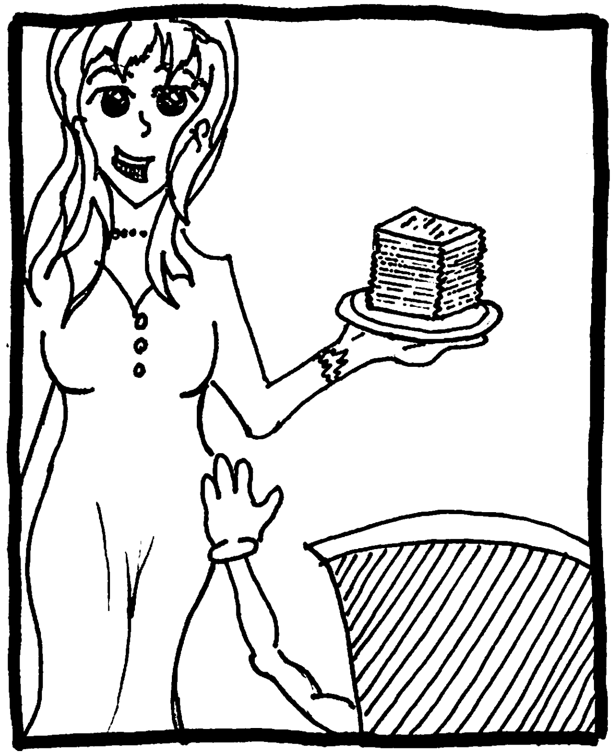
A trust needs to have a tax ID number or an EIN. A revocable trust simply uses the client's social security number. An irrevocable trust or special needs trust must apply for an EIN directly from the IRS.

We help our families complete the online application. This ensures that everything is titled correctly. We recommend that the trustee retain professional help for guidance on trust accounting and taxation.

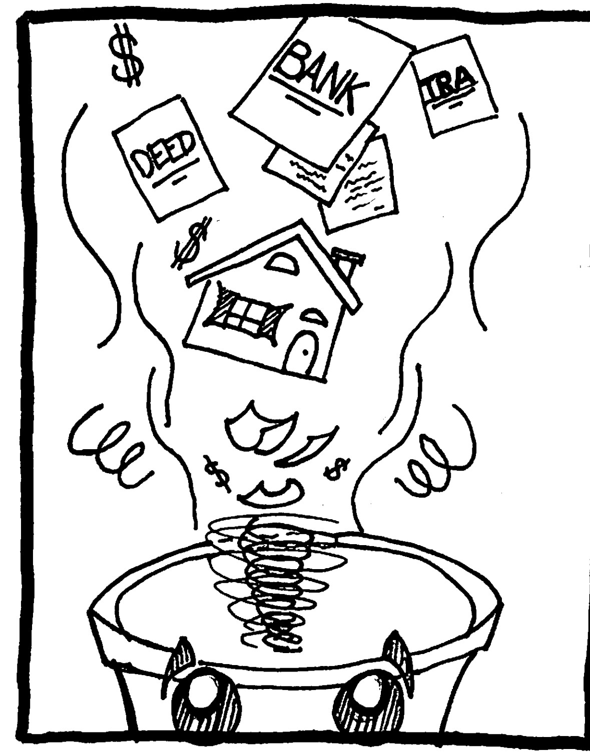

IRS
IRS
I WANT YOU... TO WORK
EIN
Now Mr. Trust and Uncle Sam are working together! Mr. Trust is one step closer to superhero status!



A trust that is empty does not help anyone; it is just an empty bucket! Step 3, the trust needs to be funded with the assets that you want to protect!



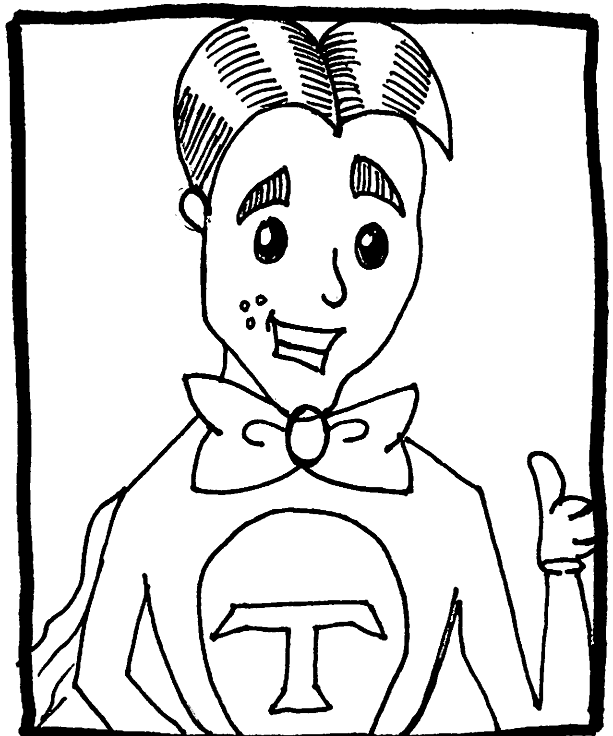
You have to be careful about what you feed the trust. Tax implications need to be considered for all transfers.



Now it is time to feed the trust! Mr. Trust loves real estate, bank accounts, and investment accounts to name a few. On the other hand, Mr. Trust cannot eat IRAs or qualified money. Be careful what you feed him!


When fed correctly, Mr. Trust grows into a fully-funded superhero! Now he can get to work!

Step 4 is the administration of the trust. Even though Mr. Trust is now a working superhero, he needs ongoing attention from the fiduciary. A fiduciary acts solely for the benefit of the trust beneficiaries.

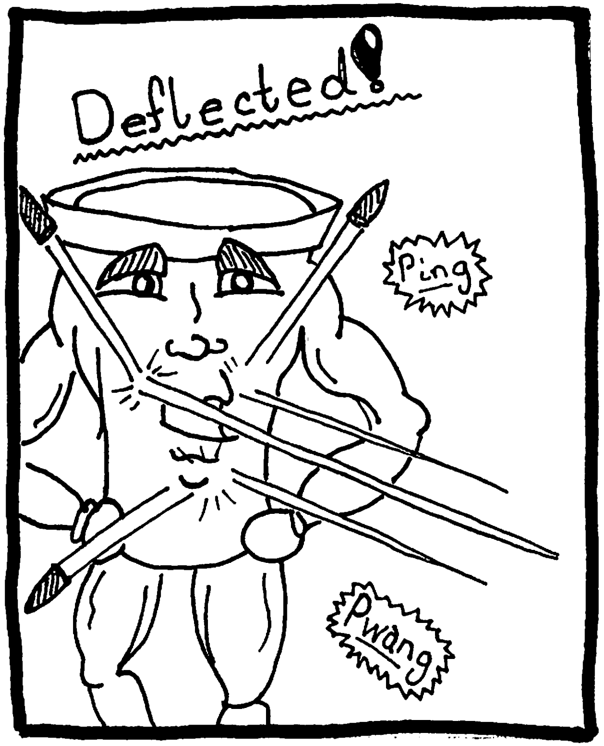


A trustee is a fiduciary role and they have lots of work to do. They must monitor investments, manage risk, work with other trust advisors, and know how to make distributions correctly.

You want your trustee to be someone that you can trust. You need this person to be thoughtful and prudent in regards to money management. This person also needs to understand and be willing to comply with the purpose of your trust.


With the help of a good trustee, Mr. Trust is ready to work! Every superhero needs a good sidekick.

Now that the trust is created and funded, discussing distribution guidelines is the last step! The trust can only distribute assets to the named beneficiary. Sometimes the trustee will pay taxes if income is generated and stays in the trust. You'll likely need a CPA's guidance.



All superheroes follow the rules! If we treat the trust properly, it will be an effective tool! Mr. Trust will be able to deflect probate and provide creditor protection!

A trust is a wonderful tool that can accomplish your goals, but the trustee must monitor the process. The trustee's authority and duties continue until the final distribution from the trust is completed.


MY WORK IS DONE!
Once the process is complete, Mr. Trust's job is done!