

What is a Revocable Living Trust?



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How do I set up a revocable living trust?

A revocable living trust is established by a legal document that states your individual wishes about the control of your assets (property, accounts, investments, etc.) during your lifetime, and the eventual distribution of your assets at your death.



As the grantor (also called settlor) of the trust, you retain full control over your assets during your lifetime and reserve the right to amend or revoke the trust at any time. Therefore, the trust document normally appoints you as the original trustee, and the trust also appoints a successor trustee to administer the plan of distribution and to assume responsibility for the payment of any outstanding debts and claims at your death (or upon your disability). As with a will, you may designate the distribution of specific assets, such as real estate and keepsakes, to family and other loved ones. And just as importantly, you can make gifts to your favorite charitable organizations, which may include your local church and the work of missions!

What are the advantages of a revocable living trust?

A primary advantage of the revocable living trust is that it may avoid the need for the court probate procedure which is often required with a traditional will. In order to accomplish that goal (avoiding probate), it is generally necessary to retitle your assets into the name of the trust you have created (e.g. "the John W. Smith Revocable Living Trust"), or to list the trust as the death beneficiary.

As a safety net, it is recommended that you simultaneously complete a "pour-over will," to cover any assets that may not have been included in the trust. The term "pour-over" simply means that any such assets are to become part of the revocable living trust and administered like other trust assets. Under the laws of many states, it may also be necessary to specify your choice of guardian for minor children in the will (rather than in the trust document).

Where should I start?

Although there are now many good self-help will and revocable living trust preparation services, we recommend that you begin the process by contacting a local attorney who is proficient in estate planning. Your pastor or local county legal bar association may be able to provide recommendations in that regard. It is also important that your trust be properly signed and witnessed (and usually notarized) according to the laws of your home state.



What next?

After completing a revocable living trust, you should periodically review the trust document to ensure that it still reflects your values, family circumstances, and current tax laws.

Reasons for updating a revocable living trust (and the pour-over will) may include a change in financial circumstances, the death or unavailability of a named executor, guardian, or beneficiary, or a desire to revise the plan for distribution of your assets. If you made a revocable living trust when your children were young you may need to revise that trust when the children reach adulthood. Since the date of the trust is usually established as of the original trust document, changes are normally made through trust amendments (rather than making an entirely new trust).



Questions?

Have questions about taking the next step to create or update your will or revocable living trust? We would love to journey with you as you look to create your legacy plan. Please contact us if you have any questions about creating or updating your estate plan or if you need assistance finding an attorney. We look forward to helping you!

Get in Touch

If you would like more information on any of these options, please call us at **765.664.7331** or visit **wgm.org/stewardship**

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