

## Do You Need a Trust

Most people want to make sure that all their assets go to the people that they care about when they die. Many people also want to avoid the costly time-consuming probate process. Finally, some people want to have some control not only over who the beneficiaries are but how the assets will be managed for the benefit of their heirs and the timing of eventual distributions that are made to heirs.

Only a trust can provide that kind of control. However, if you don't care what happens to your assets once they are distributed to your heirs, you may not need a trust at all. Many people do not realize that all wills go through probate. Secondly, one's will only controls assets that do not have a beneficiary designation and that are not placed in a trust. For instance, if your IRA designates a charity as the beneficiary, but your will leaves everything to your children, the IRA will go to the charity.

In addition to retirement accounts, all annuities and life insurance policies come with beneficiary designations. Therefore, if these instruments name specific beneficiaries, those assets will pass directly to those beneficiaries, free of probate. Although bank accounts and brokerage accounts do not automatically come with a beneficiary designation, they can be added to those accounts by requesting a transfer on death designation directly with the financial institutions. Virtually all financial accounts can pass directly to beneficiaries and avoid probate without having to hire an attorney. For most people this takes care of the entire estate except for any homes that they own.

In Florida and several other states, you can add a beneficiary designation to your real estate. This is called a lady bird deed. You remain the owner of your home and you can sell it or mortgage it whenever you want but at your death it will pass to the named beneficiaries free of probate.

In short it is possible to have your assets distributed to your loved ones free of probate without a will or a trust.

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