



Why do people set up family trusts?

Because they want to control what happens to their money once they die or become disabled.

Once you die or become incapacitated, your trustee takes over using her power of attorney. You don't have to worry.

But if you have your money in your name alone and you don't have a trust, you'll be in a world of hurt if you die or become disabled. That's because it will be difficult for anyone to access your money in order to care for you. In that case, they'll have to go through the court system, which is expensive and time-consuming.

If you keep your assets in the name of both yourself and someone else – joint tenants or tenants in common – there are other problems. First, the money is at least partially theirs. That means they have access to it, they can spend it any way they want and/or they can be sued and their creditors can seize the assets.

A family trust basically makes sure your assets are available for your benefit. And if you die, the family trust insures that the money will be divided as you want it to be divided. A family trust does many other things too. It usually sets up health powers of attorney, which appoint someone to make medical decisions for you in case you can't.

MonteryTrust cannot provide legal advice, and laws are different depending on what state you live in. That's why you should absolutely get professional legal advice before you proceed.

But it's nice to know what a trust can do. If nothing else, by understanding the power of a family trust you can ask your attorney the powerful questions you need answers for before you make any decisions.

Have you set up a family trust? Why or why not?