



Do You Need A Will Or A Trust?

Having a will or a trust is an integral part of retirement planning. A will simply indicates which beneficiaries are to receive which assets, and who will oversee your affairs after you're gone (executor). I recommend using an attorney to draft your will in order to minimize the chance that anyone will successfully be able to contest it. Some people hand write their wills to save time or money. A handwritten will is valid, although it should be notarized and witnessed (or you can videotape yourself reading it aloud). You can also get a basic will from a legal forms store or online at a site like legalzoom.com.

A will is certainly better than not having any estate planning documents. However, the problem with a will is: 1) it can be challenged in court, 2) your heirs will likely have to go through probate (a potentially expensive and time-consuming legal process), and 3) you lose confidentiality because your financial affairs can become public record.

Most people with significant assets use a revocable living trust as opposed to (or in addition to) a will. This beautiful set of documents is usually presented in a nice-looking three-ring binder and costs two to three times as much to create as a will. The trust enables you to name beneficiaries and a "successor trustee" who takes over when you are no longer capable. The main advantage of the trust (compared to a will) is your heirs get to avoid probate, your affairs remain private, and it is much more difficult to contest a trust than a will.

The other advantage of the trust is it can remain intact and continue to hold and distribute assets for many years after your passing. For example, you can instruct your successor trustee to distribute assets to your children when they reach a certain age or distribute the assets over a period of years. Another popular retirement planning strategy is to name an income beneficiary, who gets the income from your trust after your death (e.g., spouse from your second marriage) and then residuary beneficiaries who get the assets after the income beneficiary dies (e.g., kids from your first marriage).

Call or email your Surevest Financial Advisor if you have any estate planning questions or need the name of a good estate planning attorney.

For more on this topic, read: [Living Trusts: Who is Your Trustee?](#)

Have a great weekend.

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