

# PROTECTING YOUR ASSETS

## With Trust Preparation



Trusts are designed to manage your valuable assets during and after your life. A trust can be created as part of a will or as a separate document known as a Living Trust. Generally, three separate parties are involved in the creation of a trust: the Trustor who owns the assets going into the Trust, the Beneficiary who receives the benefit of the Trust and the Trustee who is in charge of administering the Trust. The Trustee is responsible for managing these assets according to the terms of the trust and in the best interest of the party who will eventually receive the assets.

### Two Types of Trusts

Trusts are grouped into two separate categories – testamentary trusts and living trusts. Both types of trusts essentially serve the same function but on different timetables.

#### Testamentary Trust

A testamentary trust is part of a will. It transfers property to the beneficiary after the death of a trustor who wrote the will. Since the testamentary trust is part of a will, it may have to go through probate. This may be a lengthy and costly process, which takes place before the terms of the trust can be implemented.

#### Living Trust

A living trust is often used to avoid the probate process. The living trust takes effect during the life of the trustor. Most living trusts are revocable, meaning the trust can be changed or revoked anytime during the creator's life. Some living trusts are irrevocable and a lawyer needs to advise on which is the best under the circumstances.

### Is a Trust Right for Me?

A common misconception is that trusts are created only for the wealthy. The truth is that trusts are for anyone who wishes to distribute his or her property during or after their lifetime. Trusts are essential for parents with young children. The parents should establish a trust in the event that they die before the children are old enough to take care of their own affairs. This is often done in a will with a support trust that names a trustee who will handle the assets for the benefit of the children and a guardian who will raise them.

### We Have the Help you Need

Trusts can be complex documents, so make sure you consult with an attorney who can guide you through this process. Please be sure to consider the group legal plan during your open enrollment period. The attorneys in the Hyatt Legal Plans network have considerable experience when it comes to trust preparation. For more information, call the Hyatt Legal Plans Client Service Center at 800-821-6400 or visit the web site at [www.legalplans.com](http://www.legalplans.com).



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