

TOP 5 QUESTIONS FAMILIES ASK ABOUT TRUSTS

What's the difference between a living trust and a testamentary trust under my will?

A living trust is established during the grantor's lifetime and replaces in effect the will, while a testamentary trust is created at his or her death. A testamentary trust is subject to probate and is not fully funded until the estate has been settled.

Do I lose control of the assets I place in my trust?

One of the primary factors is whether the trust is revocable or irrevocable. A trust established during the grantor's lifetime (living/inter vivos trust) can be drafted to be completely revocable or amendable during the lifetime of the grantor. A Tennessee Investment Services Trust (also known as an Asset Protection Trust) is irrevocable, but you can still maintain a measure of control.

Can I change the provisions of my living trust without complications?

As long as you are competent, you may change the provisions of a revocable living trust without complications. An irrevocable trust may be modified only to a certain degree under the Uniform Trust Code.

Why should I consider a corporate trustee?

A corporate trustee offers expertise and continuity in the administration of the trust. They are free of any conflicts of interest and are skilled in dealing with delicate blended family situations.

What's the difference between an executor and a trustee?

The responsibilities are similar yet there are some very important differences. The executor is named in the deceased's will and appointed by the court to be in charge of probating the will and settling the estate under the court's supervision. Once probate is concluded, the executor's job is complete. The trustee, on the other hand, is responsible for managing and distributing the trust assets according to the terms of the trust for the benefit of the beneficiaries and may have trust administration responsibilities for many years.

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