What Assets Belong in a Trust?
by Ruth Fortune

When you create a revocable trust, also known as a living trust, one major benefit is probate avoidance, meaning assets in your revocable trust can be distributed to your beneficiaries without going through probate. BUT, this begs a question we are often asked: What assets belong in a trust?

Assets that DON’T belong in a trust
Retirement accounts definitely do not belong in your revocable trust — for example your IRA, Roth IRA, 401K, 403b, 457 and the like. Placing any of these assets in your trust would mean that you are taking them out of your name to retitle them in the name of your trust. The tax ramifications can be disastrous.

It’s also not necessary to avoid probate because Retirement accounts almost always have beneficiaries listed. You can list your trust as a beneficiary on retirement accounts after consulting with an estate planning attorney because there can be an unfavorable tax outcome if not done properly.

Also, make sure the custodian, which is the financial institution(s) where your retirement accounts are held, has your beneficiaries listed. Also, be sure to update the language in your trust to reflect your current wishes and desires.

Assets that DO belong in a trust
Other than retirement accounts, virtually all other assets can go in your revocable trust. These may include:

• Your house or other real estate, even if you still have a mortgage
• Your bank accounts
• Your non-retirement investment accounts that have your stocks, bonds, mutual funds and the like
• Any other type of ownership interest in a business, such as an LLC
• Your personal property, such as your jewelry and furniture

So how do you put things in a trust? (aka “fund” the trust?)
The process for funding a trust varies depending on the type of asset. Banks and other financial institutions require you retitle the accounts with them.

Here’s an example:
• Before putting it in my trust, my bank account statement would be in the name of Ruth Fortune.
• After placing it in my trust, the statement would be in the name of Ruth Fortune, Trustee of the Ruth Fortune Revocable Trust dated February 28, 2020.

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CARING FOR YOUR PARENTS:
5 Sibling Disputes & How to Avoid Them

Sibling relationships can be fraught even in the best of times. Under the stress and strain of dealing with the needs of aging parents, they can deteriorate swiftly and dramatically. But it can be easier to manage if you know what to expect. To help the children of parents who need care get ahead of certain issues, we’ve compiled a list of 5 of the most common problematic scenarios along with possible solutions.

#1 One sibling takes on the lion’s share of responsibility and effort
This is probably the #1 problem families face when caring for aging parents. One person ends up doing most of the heavy lifting related to day-to-day support and care. Often, this sibling is the one who lives closest to the parent. Sometimes, it’s the eldest. And in many cases, this responsibility seems to fall to women instead of men. Whatever the case, the first step in resolving this kind of imbalance is to have an open and honest conversation. One sibling might live in closer proximity while another may have greater financial resources. Or a sibling who may not be emotionally or geographically able to serve as primary caregiver might be able to take on an administrative role doing research, coordinating care, and scheduling appointments. There are many different ways siblings can support each other and their parents if they are willing to be creative about how they divide up the responsibilities.

#2 Siblings disagree about how much and what kind of care is needed
This scenario can stem from several different issues. A sibling that lives far away and isn't witnessing things first hand may doubt another sibling's judgment about the situation. Or sometimes a parent is resisting care and one sibling may have greater financial resources. Or a sibling who may not be emotionally or geographically able to serve as primary caregiver might be able to take on an administrative role doing research, coordinating care, and scheduling appointments. There are many different ways siblings can support each other and their parents if they are willing to be creative about how they divide up the responsibilities.

#3 Siblings argue about the cost of care
Sadly, challenging conversations about caring for an elderly parent often come down to money. Getting the right care can be a costly affair, and those costs are not always borne equally. If one sibling has greater financial assets than the others, there might be an expectation that they should step up to cover expenses; but they may not find that to be a fair. The best way to avoid these kinds of conflicts is to talk about financial roles well before anyone needs to put up any money. This is a conversation that should include the parents and take their own savings into account as well as the possibility of taking out long-term care insurance. There are also other financial resources including Medicaid, Veterans Aid, and so forth. It's best to look at the options ahead of time so that these conversations aren't happening in the midst of a health or housing crisis.

#4 A financially-challenged sibling moves in to help without understanding the full responsibility
While this arrangement can benefit both the sibling and the parent(s), it is a solution that requires a lot of up-front thought and consideration. On the surface, it may seem like an obvious win-win, but the sibling who is moving in needs to fully understand the scope of the responsibility they are taking on. Everyone needs to be very realistic about what's needed, and other siblings need to understand that they will still have roles to play.

#5 One sibling “takes over,” excluding other siblings
Sometimes, the sibling that has taken on the role of primary caregiver will close other family members out, limiting their access to information and keeping them from being involved in critical decisions. In some cases, they may even position themselves as a gatekeeper and try to keep other family members from talking to or visiting the parent in their care. This kind of scenario may just be the result of a control issue—an overburdened sibling feeling it's their right to make decisions solo since no one else is helping—but it can also indicate more serious issues. In the worst cases, there may be issues of undue influence or even abuse. If talking with the person who is exercising this control doesn't work, it may be necessary to get Adult Protective Services involved to ensure the parent's safety.

Keys to Success: Planning and Communication
A lot of these difficult scenarios can be avoided by embracing two things long before you think you need to: planning and communication. Families that take the time in advance to create all the relevant estate planning and other documents (powers of attorney for healthcare and finances, a Will, end-of-life care plans, etc.) stand a much better chance of helping elderly parents make a smooth transition into a new stage of life. And if siblings are able to communicate openly and honestly throughout the process, they will be able to maintain good relationships as they work together to do what's best for their aging parents.
Fascinating Lecture Series to Get You Through Winter

1. TED Talks (ted.com)
   From business to nature to neuroscience and beyond, there is literally something for everyone in this catalog.

2. The Moth (themoth.org)
   The Moth is dedicated to artful storytelling. Since 1997, The Moth has been collecting and sharing stories from professional comedians and writers as well as everyday people.

3. Talks at Google (talksat.withgoogle.com)
   While they do cover a lot of business topics, they also have an impressive number of celebrities and experts who come by to share their stories and experiences. There are dozens of talks on topics from cuisine and the environment to fitness and politics and more.

4. Big Think (bigthink.com)
   If science and intellectual exploration is your thing, Big Think might be a good choice for you. Presented by leaders from a variety of fields, these video talks cover all kinds of fascinating topics from artificial intelligence and outer space to the study of mindfulness and history.

5. The DO Lectures (thedolectures.com)
   The idea is simple: invite people to share their “DOs.” They can be big or small, ordinary or extraordinary; but they will all “light a fire in your belly to go and DO your thing.” Peruse their categories—adventure, business, creativity, social change, well-being, and more—and you just might find a story that will help you rekindle your own passion.

6. The Great Courses (thegreatcoursesplus.com)
   If you’re willing to make an investment in exploring new topics, The Great Courses is one of the most well-respected players in the digital learning space. This service offers immersive video-on-demand courses taught by some of the world’s greatest professors from Ivy League and other top schools and institutions.

Even though we may be stuck at home and indoors for a while longer, that doesn’t mean we can’t enjoy a world of eye-opening, informative content. And, who knows, you might even learn something, or maybe discover a new interest that will take you to unexpected places after the pandemic is over!

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For real estate, the deed is the document that reflects who owns the property. In order to fund your trust with real estate, the deed needs to be prepared by an attorney to reflect the title change.

Many people take the wise step of creating a trust. But then they fail to fund it! We encourage you to consult with us to ensure you are funding your trust properly and that you’re getting the full benefit of the trust.

It’s Time.
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