

Living Trust

A Living Trust is a legal document a person creates during their lifetime. They (the Grantor) let someone else (the Trustee) manage their assets. The Trustee manages assets for the person who will get them (the Beneficiary). A Living Trust allows the easy transfer of assets. A Living Trust lets assets bypass the probate process. (Probate is a legal process. Courts manage how property is given out after a person has died. The probate process can be long and confusing.) The Beneficiary gets the assets in the Trust when the Grantor dies.

A trust lets one person manage the assets or money for another person. There are three parties involved in a Living Trust:

- The **Grantor** is the person who funds the Trust;
- The **Trustee** is the person who manages the Trust;
- The **Beneficiary** is the person who gets the benefits from the Trust assets.

How Does a Living Trust Work?

A Trustee manages a Living Trust. The Trustee has a duty to manage the Trust in the best interest of the Beneficiary. When the Grantor dies, the assets go to the Beneficiary. This happens by the terms stated in the Trust. A Living Trust is in effect when the Grantor is alive. This way, it does not have to go through the courts after the Grantor dies.

Two Types of Living Trusts

Living Revocable Trust -- The Grantor can make themselves the Trustee. This lets them control the assets in the Trust. The Grantor has the power to change the Trust rules at any time.

Irrevocable Living Trust -- The Grantor gives up some control over the Trust. The Trustee effectively becomes the legal owner. The Grantor can not do much to amend the Trust once it is created.

Creating a Living Trust in North Carolina

North Carolina has a complex probate process. A Living Trust may be a good idea if you want to avoid it. It is possible to create a Living Trust without a lawyer. But working with a lawyer will make sure the Living Trust is created correctly. All Living Trusts must say what assets are included, who the Trustee is, and who the Beneficiary is. They also must be signed in front of a notary public.

Resources

You may find a notary near you in North Carolina on the Secretary of State website (https://www.sosnc.gov/online_services/notary/find_a_notary).

There is usually a small fee for a notary (less than \$10).

You may find a lawyer through the NC Bar Association (<https://www.ncbar.org/public-resources/find-an-nc-lawyer/find-a-lawyer/>), or through Life Plan Trust by calling 919-589-0017 or (toll free) 888-301-0799 or by emailing Lifepan1@lifeplantrust.org.

Getting Started with a Living Trust

Step 1. To see if a Living Trust is right for you, identify what assets you have. For example: property you own, items of high monetary value that you own, life or disability insurance policies in your name, savings, or other investment accounts.

Step 2. Decide if you want to work with a lawyer.

Step 3. Find a lawyer. You may already have a personal lawyer, or you can find a lawyer through your bank, your insurance broker, the NC Bar Association (see Resources, above), or Life Plan Trust (see Resources, above).