

Living Trust

A Living Trust is a legal document created by a person during their lifetime. The person who creates the Trust is called the Grantor. They appoint someone else, called the Trustee, to manage their assets. The Trustee handles the assets for the person who will eventually receive them, known as the Beneficiary.

A Living Trust helps transfer assets easily and allows them to bypass the probate process. (Probate is a legal process where courts decide how property is distributed after someone dies, and it can be long and confusing.) The Beneficiary receives 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 and must do so in the best interest of the Beneficiary. When the Grantor dies, the assets go to the Beneficiary according to the terms in the Trust. The Living Trust is active while the Grantor is alive, so the assets do 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, allowing them to control the assets in the Trust. The Grantor also 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 becomes the legal owner of the assets, and the Grantor cannot make significant changes to 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 can find a notary near you in North Carolina on the [Secretary of State](#) website. There is usually a small fee for a notary (less than \$10).

You may find a lawyer through the [NC Bar Association](#) website or through Life Plan Trust by calling 919-589-0017 or (toll free) 888-301-0799 or by emailing Lifepan1@lifeplantrust.org.

Get 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).