



## **FUNDING YOUR TRUST**

The following are instructions on how to (1) transfer your assets into your Living Trust and (2) how to list your trust as a primary or contingent beneficiary where applicable.

**IMPORTANT!** Funding your Trust properly with all of your real and personal property is essential for sound estate planning and proper probate avoidance. You as the Settlor(s) are responsible for making these changes to all your financial assets by contacting your applicable institutions and completing the necessary documentation to facilitate the appropriate title or beneficiary change in regards to your trust.

Our office will assist you with funding any real property interests that you have into your trust. This includes preparation of needed deeds, affidavits, declarations, etc. that support sound estate planning and probate avoidance. We will also record the documents for you as part of our services.

**REMEMBER,** financial accounts are your responsibility. Below are instructions on (1) how certain financial assets are to be retitled into your trust and (2) how life insurance and retirement accounts are to list the trust as either a primary or contingent beneficiary.

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### **EXAMPLES**

#### **#1 CHANGING OWNERSHIP OF ASSET INTO TRUST NAME**

“[CLIENT] [and SPOUSE] (if applicable), Trustees of  
THE \_\_\_\_\_ TRUST, DATED \_\_\_\_\_.”

#### **#2 CHANGING OF ASSET INTO TRUST NAME AS SEPARATE PROPERTY**

“[insert name of spouse to retain separate property] \_\_\_\_\_, Trustee of THE  
\_\_\_\_\_ TRUST, DATED \_\_\_\_\_, Separate Property of \_\_\_\_\_ [again  
insert name of spouse to retain separate property].”

#### **#3 CHANGING BENEFICIARY DESIGNATION TO TRUST**

***When listing your trust as either a primary or contingent beneficiary, here is how your trust should be identified:***

“[CLIENT] [and SPOUSE], Trustees or their successors of  
THE \_\_\_\_\_ TRUST, DATED \_\_\_\_\_.”

## **REAL PROPERTY**

***Retitle ALL real property into the name of your trust.*** Your trust has initially been prepared with Quitclaim Deed(s) transferring any disclosed real property interests into the name of your trust. These new deed(s), along with the Preliminary Change of Ownership Report, will be mailed to the County Recorder for you. In approximately 1 to 3 months, the County Recorder will return recorded originals back to you. Any future real estate acquired should be titled into the name of your trust - simply tell the real estate agent/escrow officer to put the property into your trust. For Community Property titling, see Example #1, for Separate Property Titling, see Example #2.

***Non-US properties:*** If the property you have interest in is not located in the U.S., it may be acceptable to assign your interest to your Trust so that this property is distributed according to your instructions in your Trust. Consultation with an attorney is mandatory to make this distinction.

## **NON-RETIREMENT FINANCIAL ACCOUNTS**

An example of Non-Retirement Financial Accounts are as follows:

Checking, Savings, CD's, money market accounts, and non-retirement Brokerage Accounts.

***These types of accounts should be retitled into the name of your trust.*** For Community Property titling, see EXAMPLE #1, for Separate Property Titling, see EXAMPLE #2.

## **RETIREMENT ACCOUNTS**

An example of Retirement Accounts are as follows:

401 k's, IRA's, Annuities, 403 b's, Pensions, Deferred Compensation, and Retirement Savings Plans. The owner of any of these types of plans will remain as the owner. The change that needs to take place is how your beneficiaries are designated depending on your marital status. **For married couples, your spouse should be listed as Primary Beneficiary, and then the Trust as Contingent Beneficiary.** Single persons should list the Trust as the Primary Beneficiary.

**SEE EXAMPLE #3**

## **LIFE INSURANCE**

***For both married and single persons, your trust should be listed as Primary Beneficiary for all Life Insurance policies.*** Your insurance agent/representative will be happy to send you the proper form to redesignate your beneficiary of your policies. **SEE EXAMPLE #3**

## **AUTOMOBILES, RECREATIONAL VEHICLES, BOATS, PLANES, MOBILE HOMES**

***Regular transportation vehicles*** do not need to be retitled into the name of your Trust. This vehicle will pass to your Trust via your Pour Over Will outside of probate. If there is a question about whether or not your vehicle is considered a "Regular" transportation vehicle, consult with your attorney or CPA.

***Recreational vehicles, investment or luxury automobiles, Boats, Planes, and Mobile Homes*** should all be retitled into the name of your Trust.

## **BUSINESS INTERESTS, PARTNERSHIPS, LLCs, FLPs & CORPORATIONS**

***Your interests in these types of entities should be assigned to your trust according to the provisions in the applicable agreements.*** Legal advice is strongly advised to make the necessary assignments to your trust, as well as any 'Buy-Sell' agreements, to properly protect your business interests and keep them out of probate.



### **STOCK OPTIONS and RESTRICTED STOCK GRANTS**

*Stock Options and Restricted Stock Grants should be assigned to the trust according to the provisions in the applicable agreements.* Legal advice is strongly advised to make the necessary assignments to your trust to properly protect your interests.

### **SECURED & UNSECURED NOTES**

*All secured and unsecured notes should be assigned to your trust.* Legal advice is strongly advised to make these necessary assignments. Some assignments may need to be recorded with the County Recorders Office.

### **HOUSEHOLD FURNISHINGS & TANGIBLE PERSONAL PROPERTY**

These items are placed into the trust by way of your 'ASSIGNMENT OF PERSONAL EFFECTS, FURNITURE, AND FURNISHINGS' in your trust portfolio.

### **MISCELLANEOUS**

The Pour-Over Will contained in your Trust Portfolio is designed to catch anything that you did not retitle into the trust name and 'Pour' these items into the trust at death. If an asset left out of trust already has beneficiary designations assigned, then this asset will be distributed accordingly. CAUTION: Even though the pour-over will gives direction to any asset absent a beneficiary designation, it does not prevent the asset from being probated if applicable. Assets subject to probate must be retitled into the name of the trust properly for proper protection.

**Trust Tax Identification Number:** For a single person, your Trust Tax Identification Number is your Social Security number. For a married couple, the male Social Security number is the tax identification number.

