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Trusts and Wills by Trialandheirs

Article published on January 18th 2012 | Management

Both a trust and a will are a means of channeling the distribution or transferring of wealth to oneâ€™s heirs or beneficiaries. When planned intelligently, they can prove to be effective in saving yours as well as your successorsâ€™ taxes as well. Trusts specifically work in the interest of safeguarding your rights and that of your beneficiaries. To further make the process of transferring your property to your family easier, you should always have a will in place.

Typically, wills are a written statement or an authorization that is legally binding. This statement clearly defines the rights of the various family members, friends and other associates of a deceased person on his or her assets and property. These â€˜willsâ€™ can be written by the person at any point of his life but generally comes into effect on his death thereby transferring the rights of his assets to the people stated in the will. To further secure the rights of the beneficiaries, the person can always entrust his property with a trust which will carry out the instructions as per the personâ€™s â€˜willâ€™.

While the knowledge of wills is common today, a trust whether it is privately owned by the family or not is an efficient method of transferring your assets to your beneficiaries. Trusts are also considered very effective modes of income generation for family members and for the yet to be born members of the family.

Both wills and trusts by themselves have certain advantages, with the latter being a little more desirable than the former. However, when both function together, the benefits multiply manifold. For instance, wills that have been challenged in a court can take years to get resolved and in the process a large amount of resources are wasted. On the other hand, by creating a trust, one can altogether avoid any friction among the family members. When the creation of a trust has a legal backing, namely a will, then the process of transferring wealth becomes all the more smooth and efficient. In addition, this also helps the creator of the will or trust to pass on his wealth to his heirs during his lifetime. Trusts and wills together will help in creating a conducive environment for reaping numerous before and after death advantages.

Most often, these wills are irrevocable during the lifetime or so long as the creator is mentally competent, unless of course the creator himself wants to make some amendments in his will. Some will even remain irrevocable after the death of the creator.

Trusts are becoming increasingly preferred by people as they remain within the family within a private capacity. Trusts, unlike wills, do not become a part of the public records unless desired by a trustee or beneficiary of the trust.

In addition, trusts are most often formed to fulfill the circumstantial demands. Wills on the other hand, while being less expensive and complicated than a trust, serve the interests of the peopleâ€™s relatively humble estates.

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Article Keywords:
keynote speakers, estate planning attorney, probate attorney,legacy expert attorneys