

DO I NEED A TRUST?

A SELF-EVALUATION TOOL

WHO NEEDS A TRUST? The answer may surprise you. Trusts can help with financial planning, investment or insurance ownership, special family needs, tax planning, business succession, allocating marital assets, charitable giving, privacy, asset protection, and other legal concerns. Every type of Trust is different. Some are better than others at accomplishing these objectives. You should consult with a qualified attorney to determine if you need a Trust, what kind of Trust you might need, or if the Trust you already have actually meets your needs.

The following checklist is designed to help you evaluate for yourself whether or not a Trust may be right for you.

Answer the questions and tally the totals to find out if you need a trust.

Property & Financial Concerns

| | No | Yes |
|--|--------------------------|--------------------------|
| Do you have assets over the probate threshold? (\$75,000 in most states) | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you own property? (i.e., a home, even if it has a mortgage) | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you own real property in more than one state? (multi-state probate) | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you own life insurance? (The amount and beneficiaries make a difference) | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you the beneficiary of a life insurance policy someone else owns? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is your net worth over the federal and/or state estate tax threshold? (This number differs from state to state. The federal exemption amount is currently \$11.58 million per person in 2020 dollar indexed to inflation). | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you have significant funds in an IRA, 401(k) or other retirement plan? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you (or will you in the future) have a high income? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you and/or your spouse have separate property (non-marital) assets? | <input type="checkbox"/> | <input type="checkbox"/> |
| Have you received (or will you in the future receive) a substantial inheritance? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you have any bank or investment accounts where you have NOT named Pay-On-Death (P.O.D) beneficiaries? | <input type="checkbox"/> | <input type="checkbox"/> |
| Have you designated a beneficiary for your real property (where permitted)? | <input type="checkbox"/> | <input type="checkbox"/> |
| Have you put a family member as a signer on a bank account just for convenience even though the account is not really theirs? | <input type="checkbox"/> | <input type="checkbox"/> |

| | No | Yes |
|--|--------------------------|--------------------------|
| Do you have an heirloom property that you wish to keep in the family? (cabin, farm, business, art, etc.) | <input type="checkbox"/> | <input type="checkbox"/> |

Legal & Tax Matters

| | No | Yes |
|--|--------------------------|--------------------------|
| Do you wish to avoid probate? (a lawsuit to administer your estate) | <input type="checkbox"/> | <input type="checkbox"/> |
| Is keeping control of your estate important to you? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you want to prevent legal Guardianship or Conservatorship? (i.e., a lawsuit to declare you incompetent and appoint someone to make decisions for you) | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you want to avoid estate and/or inheritance taxes? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you (or your spouse or a family member) a non-U.S. Citizen? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you want to reduce the cost of administering your estate? (attorney's fees) | <input type="checkbox"/> | <input type="checkbox"/> |
| Is preventing litigation over your estate important to you? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you concerned about protecting your privacy? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you want to decide what happens with your estate (rather than letting the courts, litigation lawyers, and the state decide)? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you wish to leave any part of your estate to unrelated persons? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you wish to leave any part of your estate to charity? | <input type="checkbox"/> | <input type="checkbox"/> |

Business Succession

| | No | Yes |
|---|--------------------------|--------------------------|
| Do you, or will you someday, own a business? (If no, skip the business section.) | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you own or operate your business in your own name? | <input type="checkbox"/> | <input type="checkbox"/> |
| Does your business have partners or multiple owners? | <input type="checkbox"/> | <input type="checkbox"/> |
| Does your business operate in more than one state? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will your business continue to have value if you die or become incapacitated? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you want anyone in your family to take over your business someday? | <input type="checkbox"/> | <input type="checkbox"/> |
| Does your business need a succession plan? | <input type="checkbox"/> | <input type="checkbox"/> |

Notes:

Evaluation: If you answered "yes" to any of the highlighted sections, no matter how many "no's" you have, a Trust is going to help. The more "yes" answers, the greater your benefit. Each "no" answer indicates you may have other options. Also, this list is not exhaustive. Figuring out what is best for you requires insight and judgment beyond the math. There are many other situations that warrant a Trust and/or advance planning beyond a Trust. If you feel you need a Trust, or just have questions, a complimentary consultation with a Durfee Law Group attorney is your next move.



Family Issues

| | No | Yes |
|--|--------------------------|--------------------------|
| Do you have an alternative or non-traditional family? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you in a second (or third) marriage? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you have children? (if no, skip the remaining family questions) | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you have minor children or dependent minor grandchildren? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you have a special needs or incapacitated child or family member? | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you have children from more than one relationship or spouse? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are your children likely to have marital problems? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are your children likely to have medical problems? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are your children likely to have legal problems? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are your children likely to have difficulty handling money? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you concerned about how your children get along with each other? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you concerned about the effect an inheritance may have on your family? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you providing for children differently or not equally or disinheriting a child? | <input type="checkbox"/> | <input type="checkbox"/> |

GET IN TOUCH!
**SCHEDULE YOUR FREE
CONSULTATION**

1423 S Higley Rd Suite 127
Mesa, AZ 85206
480.324.8000
info@durfeelawgroup.com
www.durfeelawgroup.com

The content of this memorandum is general in nature and is meant to be used for illustration purposes only. This memorandum may not be relied upon as legal advice. The reader is advised to consult with qualified legal counsel and other professional advisors.