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FUNDING YOUR REVOCABLE TRUST

Now that you established your Revocable Trust, it should be funded by transferring ownership of some or all of your assets to the Trust. Recall, a major purpose of using a Revocable Trust as the main instrument in your estate plan is to avoid probate of the trust assets at your death. In order to avoid probate, it is critically important that assets be owned by the Trustee of the Revocable Trust and not by you individually. Although your pour-over will provides that assets held in your individual name at your death will be added to the trust assets and distributed as provided in your trust, those assets will be subject to probate before they are added to the trust. To avoid that result, assets you intend to place in the trust should be titled in the name of your Revocable Trust

In general, to transfer assets to your Trust, you will need to change the title for each asset from your name individually (or jointly) to the Trust, as follows:

"[Name of Trustee], as Trustee of the [Name of Trust], dated _____."

You should carefully and continually review the assets held in your own name (both assets that you now own and any that you acquire later) to be certain that this is consistent with your desire to avoid probate. We will be glad to discuss the advisability of retaining ownership of various assets in your name alone, holding assets in joint names with another person, or transferring assets to the Trustee of your Revocable Trust. Generally speaking, unless there are compelling reasons to do otherwise, I do not recommend that your residence, personal checking or small savings accounts, or automobiles be transferred to the trust. Please feel free to call me to discuss whether my general recommendation applies to your particular situation.

On the following pages, we offer some general guidance on transferring specific types of assets to your Revocable Trust. Please call us if you have any questions about the transfer of property to your Revocable Trust or about the operation of your Revocable Trust in the future.

1. Accounts or Certificates issued by a Bank or Other Savings Institution. The name on the account or certificate must be changed to reflect its ownership by the Trustee, and a new passbook or certificate must be issued in the name of the Trustee. Be careful to confirm with the financial institution before transferring a savings certificate that there will be no penalty for early withdrawal.

2. Brokerage Accounts. If you own stocks, bonds, or other securities through a brokerage account, and if the certificates for those assets are not issued in your name but are held instead in a street name or in the brokerage firm's name, the brokerage firm's records must be changed to indicate that the Trustee owns the account and not you individually.

3. Corporate Stocks (issued by Publicly or Privately Held Corporations) or Mutual Fund Shares. If certificates are issued in your name, new certificates must be issued to reflect the Trustee's ownership of the stock or shares. You may be able to combine all certificates representing shares in one corporation into one new certificate, but you might consider requesting a series of new certificates, one corresponding to each old certificate, in order to trace your income tax basis in any shares sold by the Trustee during your lifetime.

4. Registered Bonds or Debentures (issued by Publicly or Privately Held Corporations, the U.S. Government, an Agency, any State, or Subdivision thereof). These securities must also be registered in the name of the Trustee and new bonds or debentures reissued. As with stock certificates discussed in paragraph 2, if bonds or debentures are held in a brokerage account, title to the account must be changed.

5. Unregistered or Bearer Bonds or Debentures. These securities, typically issued by the United States government, an agency, a state, or a municipality, generally cannot be registered in the name of the Trustee, so that there must be some other evidence that these securities have been transferred. This can be done by executing and delivering to the Trustee a transfer document listing the bearer securities being transferred, which document will be retained by the Trustee with the permanent records of the trust. I can prepare for you any documents necessary to accomplish the transfer. It would be helpful to keep bearer securities in a safe deposit box in the name of the Trustee with a duplicate copy of the transfer document attached.

6. Tangible Investment Assets (Such as Gold Bullion, Silver Coins, Art Objects, Etc.). Because there is no proof of registration or ownership of these assets, their transfer to the trust should be handled in a manner similar to that described in paragraph 5 for bearer securities. Any new investments of this type should be purchased directly in the name of the Trustee with the confirmation or other purchase slip retained with the instrument or investment to prove the Trustee's ownership.

7. Partnership Interests (Whether in a General Partnership or Limited Partnership). In order to register these property interests in the Trustee's name, a new certificate of partnership interest or an amendment to the partnership agreement may need to be executed. There may be restrictions against transfer in the partnership agreement, so it should be reviewed before transfer.

8. Interests in Real Property (Personal Residence or Investment Real Estate). Legal title must be transferred to the Trustee by means of an executed, notarized, and recorded deed, usually a special warranty deed. Be careful to determine whether any existing mortgage or deed of trust secured by the transferred real estate will be affected by the proposed transfer and whether the proposed transfer will trigger any "due on sale" clause in the mortgage or deed of trust. It is important to comply carefully with the requirements of the law of the state where the

property is located. A land trust deed under Section 689.071, Florida Statutes may be advisable. You should consult with me before deeding any real property (especially a residence in Florida) into the trust.

9. Life Insurance Policies, Annuities, and Retirement Plan Benefits. Ownership of these assets is generally not transferred to a Revocable Trust, but the death benefits can be made payable to the Trustee, if desired, for distribution under the terms of the trust. Although life insurance policies generally pass outside of probate, ownership can be transferred to the trust to give the Trustee more control over the policies in case you become disabled. **Ownership of IRAs should not be transferred to the trust.** Change-of-beneficiary forms from the insurance company or the administrator of the retirement plan must be completed and recorded with the insurer or the plan Trustee to name the Trustee of your trust as the revocable beneficiary of any benefits. Some annuities do not permit transfers, and others have negative tax consequences if put into the trust, so caution is advised.

Please call us if you have any questions about funding your Revocable Trust. This memorandum is for your guidance only and does not encompass all possible situations.