

WHY WOULD I WANT A REVOCABLE LIVING TRUSTS IN OKLAHOMA?

*A Closer Look at Revocable Living Trusts in Oklahoma
and Some of the Benefits This Type of Trusts Offer*



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You have options when you are planning your estate. Though the last will is the most commonly executed estate planning document, you may want to consider a revocable living trust as a vehicle of asset transfer.

Why would you want a revocable living trust? Let's look at some of the benefits of these trusts.

RETENTION OF CONTROL

When you convey assets into a revocable living trust you are not surrendering control of these resources. The trust involves a grantor, who is the person creating the trust. There is also a trustee who administers the trust, and a beneficiary who receives monetary distributions out of the trust.



With a revocable living trust, you as the grantor of the trust may also act as the trustee and the beneficiary while you are still living. You name successors to act as trustee and beneficiary after you die.

The grantor of the trust creates a trust agreement. This would include terms that the trustee must follow. These terms can be changed by the grantor. Beneficiaries can be added or subtracted, and the details could be altered.

Because you act as trustee and beneficiary, you control the actions of the trust, but your level of control actually goes beyond this. The trust is revocable, so you can revoke it at any time. It will no longer exist, and the resources that you conveyed into the trust would once again become your direct personal property.

INCAPACITY PLANNING

A revocable living trust can be useful for those who are interested in planning ahead for the possibility of future incapacity. When you create the trust you could name a disability trustee. This trustee would be empowered to administer the trust in the event of your incapacitation.

PROBATE AVOIDANCE

Revocable living trusts facilitate the transfer of assets to the beneficiaries outside of the process of probate.

When you die using a will to direct the transfer of your personally owned property, the executor

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that you name in the will must admit the will to probate. The probate court will examine the will to determine its validity. If anyone wanted to challenge the validity of the will, an argument could be presented before the probate court.

During probate final debts must be paid, including taxes. The executor must take care of the business of the estate and ultimately prepare the assets that comprise the estate for distribution to the heirs.

Everything that must take place during probate is going to consume a considerable amount of time. The exact duration will vary depending on the precise circumstances. Suffice to say that probate will take a minimum of perhaps nine months in most jurisdictions. Probate can take years if the circumstances are complex.

The heirs to the estate will not receive their inheritances until the process of probate has run its course. This is one of the reasons why people implement probate avoidance strategies.

In addition to the time factor, there are considerable expenses that can pile up during probate. This is another reason why it is often avoided.

The executor must be paid, and there are filing fees. A probate attorney and a tax accountant may be required. Property appraisals can be necessary, and there could be liquidation costs and other ad hoc expenses.

A third drawback that comes along with the process of probate is the loss of privacy. Anyone who is interested could access probate records to find out what took place during the process.

You could choose to use a revocable living trust rather than a last will to arrange for the distribution of your property after you die. If you do, the distributions will be made by the trustee in accordance with your wishes, and these transactions will take place outside of the probate process.



DEBUNKING A MYTH

There are those who are under the impression that trusts are only useful for the wealthy. This is a myth.

Indeed, trusts are used by high net worth individuals to accomplish particular objectives. Certain types of *irrevocable* trusts are used to provide asset protection and/or estate tax efficiency.



However, revocable living trusts are different. A revocable living trust would actually not be a good solution for a wealthy person who is looking for estate

tax efficiency and asset protection.

Revocable living trusts are used by people of relatively ordinary means who want to arrange for asset transfers to their loved ones outside of the costly and time-consuming process of probate.

CONCLUSION

Revocable living trusts are appealing because you do not surrender control of assets that you convey into this type of trust. With a revocable living trust you facilitate the transfer of financial resources to the beneficiaries outside of probate.

To learn more about the benefits of [revocable living trusts in Oklahoma](#), contact a licensed estate planning lawyer.

REFERENCES

American Bar Association

http://www.americanbar.org/groups/real_property_trust_estate/resources/estate_planning/revocable_trusts.html

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About the Author

Larry Parman



After helping his own family deal with a lengthy probate and a battle with the IRS following his father's death in a farm accident, Larry made a decision to help families create effective estate plans designed to reduce taxes, and minimize legal interference with the transfer of assets to one's heirs, and protect his clients' assets from predators and creditors. Following a dozen years in the investment banking and financial services business, in the mid-1980s Mr. Parman formed a law firm that gives families the peace of mind that comes from having created a premier estate and financial plan.

After forming his law firm in 1984, he offered a series of public and private seminars to inform the public about using a Living Trust as the foundation of a family's estate plan. Today, Parman & Easterday is one of the leading business and estate planning law firms in the Midwest. The firm's primary focus is on business and estate planning, elder law, asset protection, and providing effective estate planning solutions for clients. Today, the firm's premier estate plan design is referred to as a Legacy Wealth Plan.

Mr. Parman is a frequent guest on the radio and can be seen on television talk shows explaining the importance of proper estate planning. Prosperity Productions selected Mr. Parman as a featured speaker in a nationally-recognized educational video on Living Trusts. He is the author of numerous published articles on financial and estate planning matters and the co-author of two books, *Estate Planning Basics: A Crash Course in Safeguarding Your Legacy* and *Guiding Those Left Behind in Oklahoma: Settling the Affairs of Your Loved Ones*.

Mr. Parman is a member and Fellow of the American Academy of Estate Planning Attorneys. He is also a member of the Oklahoma and Missouri Bar Associations, the American Bar Association, and the Oklahoma City Estate Planning Council.



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