

What Is the Difference Between a Will and a Trust?

What is the difference between a will and a trust? If you live in Illinois and you've always wondered what the answer to that is, read this guide!

WOODSTOCK, IL, US, May 5, 2022 /EINPresswire.com/ -- Did you know that more than 50% of Americans do not have a will or trust?

There may be many reasons for this, such as some of us do not want to think about death, so we put off planning for it.

For others, there may be hesitance to begin the process of estate planning because we do not understand all that is involved. Or, we may not understand exactly what questions we need to ask, depending on our financial situation.

For instance, what is the difference between a will and a trust?

How do we know which is better? Or who to trust with procuring these documents?



[What is Estate Planning?](#)

An estate plan is, simply put, a list of directions that document how you want your property managed throughout your life and then allocated after your death.

Your estate plan should contain:

Information on how you want your assets arranged while you are living. This should help your estate to be its most tax-efficient and help you save money.

Particulars on how you want property and assets divided between beneficiaries at your time of death.

What Is the Difference Between a Will and a Trust?



Most of us have heard of both trusts and wills but may not have an understanding of each or how they differ. They are both tools that you utilize for estate planning, and a better understanding of them can help us to be more comfortable with them.

Hopefully, this will also allow us to make better-informed decisions when it comes to planning for the futures of our loved ones.

What Is a Will?

A will is a legal document that you prepare to give instructions on how a person wants their assets distributed when they die. A will does not go into effect when you sign it, but instead when you pass away.

In your will, you will lay out how you want your assets distributed. You can leave things to your family, friends, and even charities.

After your death, these wishes are then carried out as laid out in the will unless contested.

What Happens if I Don't Have a Will?

If you pass away and do not have a will, what happens varies from state to state. In the state of Illinois, it is dependent on if you are survived by a spouse and/or descendants.

When there is not a will, the state must appoint someone to manage your estate. This person will direct the process and your family will need to work with them to gain access to your assets.

If you pass away without a will and have both a spouse and descendants still living, your spouse would inherit one-half of your assets. Your children would inherit the other half.

Everything goes to your spouse if you are only survived by them. And if you are survived by only descendants, no spouse, your assets would all be inherited by them.

What is a Trust?

A trust is an instrument that allows one person, the trustor, the ability to give another person, the trustee, property title and assets to hold for a third party, the beneficiary. The reason trusts are created is to provide both legal and tax protection for the trustor and their assets. A trust also helps to make sure these assets are handled specifically as the trustor designates upon their death.

Do I Need a Trust if I Have a Will?

You may need a trust if you have a will and want additional control over certain aspects. A will allows you to name beneficiaries and it gives you the ability to state to who you would like your assets distributed.

A trust, however, gives you much more control over how your wishes are carried out. You can write specific conditions into a trust, such as giving your beneficiaries no leeway for lawsuits to be filed, requiring that only specific information is to be given out to beneficiaries to keep your privacy, designating assets to every child if you have a complex family system, and much more.

What Is Better in Illinois a Will or a Trust?

In Illinois, a trust gives you significant tax benefits. When set up properly, a trust will also help you avoid probate entirely. This allows your loved ones to avoid the significant time and costs associated with probate. It also means your beneficiaries will receive the assets meant for them almost immediately.

A trust can also keep the assets that your beneficiary receives safe from their creditors. If you are concerned that any inheritance you leave your loved one may go straight to unpaid credit card bills, a trust can prevent this. A trust allows the ownership of the assets to remain within the trust. Therefore, your loved one will have access to the trust, but their creditors will not be able to use that money against them.

You can also administer your assets for your minor children with a trust. If you leave money to a minor child with a will it can cause issues as they cannot act on their own behalf financially. This means the court would need to appoint a representative to act on behalf of the child. With a trust, you can lay out exact directives on when and how you want assets managed for your child. This will keep the court from needing to be involved.

A trust is a great way to care for loved ones, reduce estate taxes, and leave no questions as to

your wishes.

Are You Ready to Reap the Benefits of Setting up a Trust?

Putting together a trust can be a daunting process, but the many rewards outweigh the stressors.

[To Read More about What is the Difference Between a Will and a Trust](#) visit [Prime Law Group](#)

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