

# Trusts & Trust Services

Helping plans go according to plan





# There's a Reason Trust is Our Middle Name™

**Our mission is to help credit union members and private clients protect their hard-earned assets, achieve their financial aspirations and ensure their financial legacy thrives.**

Founded in 1987 by America's Credit Unions for credit unions, their members and the general public, Members Trust Company is the first national trust and investment firm providing financial stewardship, investment and trust services with "Main Street" member-centric value *and values*...even for non-credit union accounts. This means we pick up the phone when you call, we treat you and your family as if you were our own, and that doing the right thing is more than our thing, it's our mandate.

With our Main Street values comes Wall Street expertise...without the ego or exorbitant fees. Our team of investment professionals hold the highest Chartered Financial Analyst® designation and have been continually recognized in the industry as innovators and subject matter experts in trust and investment solutions, big and small.

WHAT IS A TRUST?

# A Will Is Not The Only Way

We know that while you can't predict the future, you can prepare for it. Which is why, unlike a will, a Revocable Living Trust is the preferred legal documentation representing how, when and to whom you want your assets distributed upon your death or in the event of your incapacity, no matter how big or small your estate. A trust is established during your lifetime in order to avoid costly probate, lengthy conservatorship proceedings, and to preserve family harmony after you're gone.

Today marks the largest intergenerational wealth transfer in history with \$30 trillion in assets projected to pass from boomers to their heirs in the United States alone. **Yet 60% of American adults don't have an estate plan.**

## Benefits of a Trust



**A living trust avoids probate, costly and time-consuming court proceedings held to oversee the collection, appraisal and distribution of your assets**



**A living trust can take effect upon your incapacity, not just death**



**A living trust can protect your assets from beneficiary misuse**



**A living trust can protect beneficiaries from elder financial abuse**



**A living trust can preserve family harmony when administered by a corporate trustee who is objective and staffed with legal and investment professionals whose legal duty is to act in the best interest of your beneficiaries.**

# Who Needs a Trust & Why



## Preserving Family Harmony

Those looking to preserve family harmony after they're gone



## Loved One With Special Needs

Those with a loved one with special needs must plan carefully to preserve eligibility for government benefits



## Children From Former Relationship

Those who are married with kids from a previous relationship must plan ahead to protect biological children from disinheritance



## Irresponsible Loved Ones

Those with irresponsible loved ones who are looking to reduce the likelihood of his or her inheritance being squandered



## Planning For Incapacity

Without an estate plan in place, a judge will decide who will take control of your assets in the event of mental or physical incapacity






## No/Distant Kids

Those with no/distant kids must plan ahead to ensure financial affairs are managed upon death and incapacity

# Your Peace of Mind is Always on Our Mind

During your lifetime, you serve as the trustee of your trust, provided you have mental capacity. You must also designate a back-up trustee, who—upon your death or incapacity—must step into your shoes and manage trust assets for your benefit or that of your loved ones. You can choose almost anyone to serve as your back-up trustee - a family member, a friend, an accountant or a corporate trustee, like Members Trust Company.

## Benefits of a Corporate Trustee

-  **Objectivity.** Losing a loved one is a painful experience that can affect the mind and body. A corporate trustee has the emotional sensitivity to handle legal and financial matters and communicate to beneficiaries effectively.
-  **Family Harmony.** The loss of a loved one can also fuel family conflict. A corporate trustee is fair, objective and staffed with legal and investment professionals who have an obligation to act in the best interest of your beneficiaries.
-  **Peace of Mind.** A corporate trustee is regularly audited to ensure the appropriate policies and procedures are in place for proper trust administration.

## WHAT A TRUSTEE DOES

### Possible Post-Death Actions






## TRANSFERRING YOUR TRUST

# Your Best Interest Is What We Do Best

Members Trust Company can partner with you in various ways to minimize your risk and maximize your peace of mind: serving as trustee; acting as investment manager; functioning as custodian and bookkeeper; acting as the administrator; and serving as co-trustee with you. Our Trust Transfer Service offers you access to attorneys and investment officers to review your trust. We analyze trust provisions, investments and current administration to help determine whether a change in trustee is in your best interest. We will contact your bank or trustee, prepare the necessary documents to make the transfer and keep you informed throughout the entire process.



**Our promise—and mandate—is to always act in our clients' best interest, always.**



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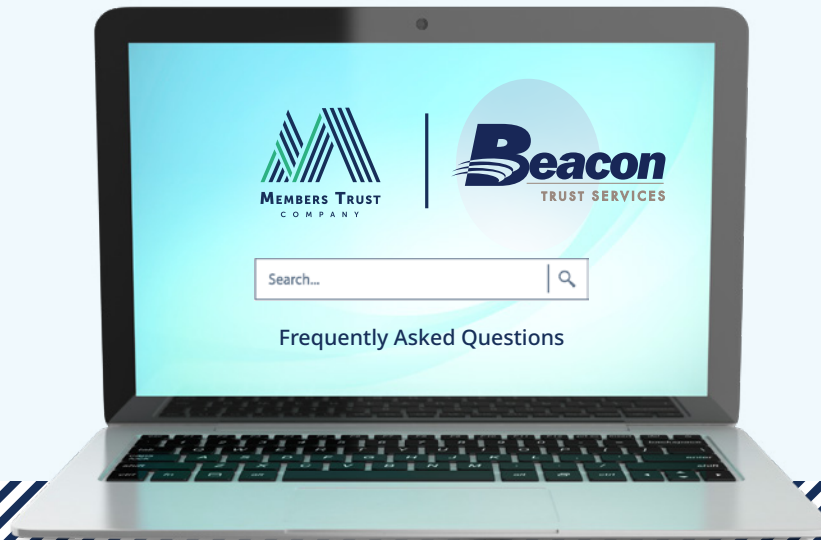
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# REVOCABLE LIVING TRUST

# FAQS



## What is a Revocable Living Trust?

A Revocable Living Trust is a legal document drafted during your lifetime that states how you want your assets managed and distributed upon your death, or in the event of your incapacity. Trusts help avoid probate, conservatorship proceedings, and maintain post-death control of assets.

## What is probate?

Probate is the court-supervised process of administering a deceased person's estate in absence of a trust. This generally involves collecting a deceased person's assets, paying debts, taxes and then distributing remaining assets to heirs. Probate varies by state and even county to county, but certain things are universally true.

- **Probate is a public process** with wills (if there is one) and heirs listed for anyone to access or solicit.
- **Most jurisdictions have lengthy wait times** before distributing your money to heirs/beneficiaries.
- While court fees and probate taxes are generally reasonable, **they can erode the amount your loved ones receive** from your estate.

## How is a trust different from a will?

While a will can be an important estate-planning tool, its power only takes effect upon death. A trust, on the other hand, allows your back-up trustee to carry out your wishes in the event of your death or incapacity, including illness.



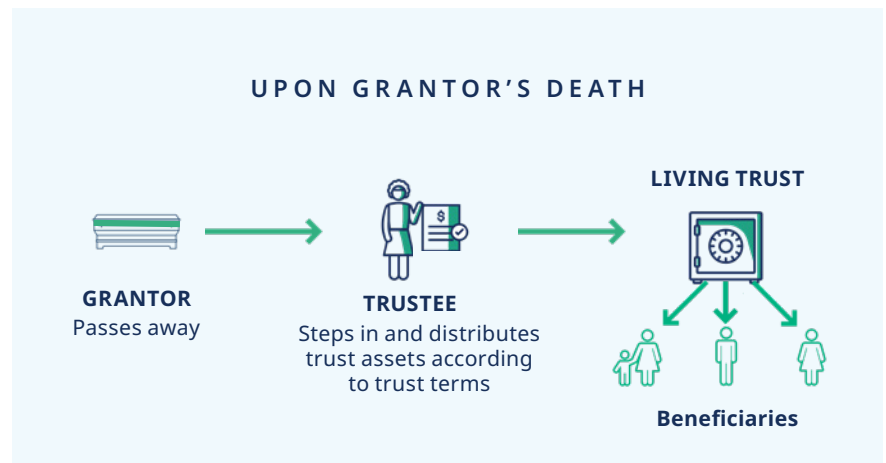
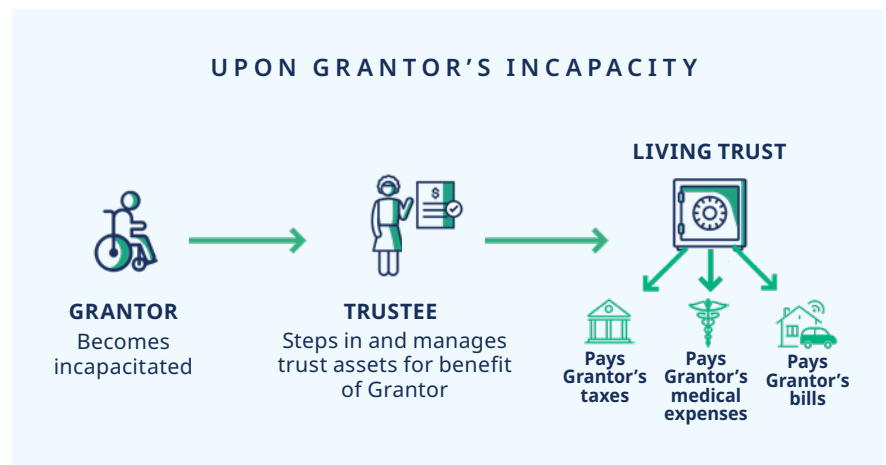
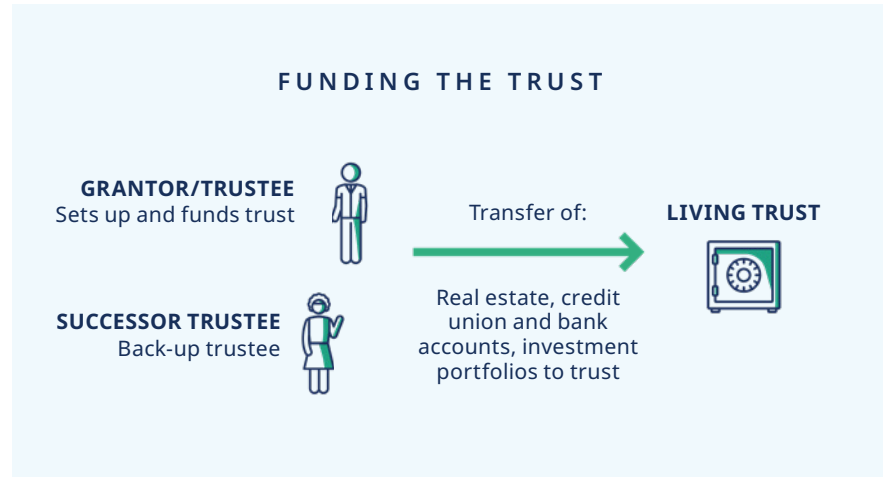
## Why is it important to plan ahead for incapacity?

Without a plan in place, the court will appoint an individual (“guardian” or “conservator”) to act on your behalf, if you are no longer able to handle your own affairs.

## What are the steps involved in setting up a trust?

1. Generally, you (the “grantor”) establish a trust that includes all of your probate assets, and name yourself as both trustee and sole beneficiary for your lifetime.
2. You designate a back-up trustee who will step into your shoes when you can no longer serve due to death or incapacity.
3. You identify your beneficiaries, who will receive assets from the trust upon your passing.
4. For a trust to fulfill its objectives, you must then “fund” the trust by transferring legal title of certain assets from your name to the name of the trust.
5. As the grantor--provided you have capacity--you continue to manage, own, and pay taxes on trust assets during your lifetime. In other words, you do not need to file a separate tax return for the trust.

## How does a trust work?





Who needs a trust?



Anyone looking to preserve family harmony



Anyone with loved ones with special needs



Anyone with children from a former relationship



Anyone with loved ones who are irresponsible with money



Anyone wanting to plan for incapacity



Anyone with no/distant kids



What does a trustee do?

Possible Actions of a Trustee



**Notify Creditors**  
Notify creditors of decedent's death; pay debts



**Communicate Often**  
Provide written notice to beneficiaries



**Collect & Appraise Assets**  
Collect assets; conduct appraisals to determine value



**Provide Accountings**  
Provide accountings to beneficiaries



**Secure & Sell Property**  
Change locks on trust properties; prepare for sale



**File Taxes**  
File income taxes and federal death taxes if necessary



**Distribute Assets**  
Distribute remaining assets to beneficiaries



## What are the benefits of a corporate trustee?

### **Objectivity.**

A corporate trustee has the emotional sensitivity to handle legal and financial matters and communicate with beneficiaries with confidence and compassion.

### **Family Harmony.**

A corporate trustee is fair and staffed with legal and investment professionals who have an obligation to act in the best interest of your beneficiaries.

### **Peace of Mind.**

A corporate trustee is regularly audited to ensure the appropriate policies and procedures are in place for proper trust administration.

## What are the benefits of designating Members Trust Company as your trustee?

One of the most important decisions you can make is the selection of a trustee. Members Trust Company's ownership and shared mission with credit unions make it the ideal choice for anyone looking to relieve their family of the burden of dealing with the complex details of trust administration, fulfilled with the stewardship and sensitivity every family deserves.

## Who is Members Trust Company?

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