

INTRODUCTION

Congratulations! You are about to read the book that has changed and enhanced the lives of over 350,000 people, as well as their families and loved ones.

It's a book that will unravel the often complex subject of estate planning and living trusts in a clear, understandable manner. And, as you'll see, it's a book that is not afraid to expose and clarify many of the common myths and misconceptions people have about estate planning and wills.

Since you are reading this book, you are probably starting to think about how to transfer your assets to your loved ones after you're gone. Everyone wants to do the right thing. (What parent or grandparent doesn't?) But things are so much more complicated today. You probably have many concerns that your parents didn't have to face. For example:

- With people living longer, you may worry about what will happen if you become incapacitated.
- With second (and even third) marriages so common, you may worry about how to provide for your surviving spouse without disinherit your children and grandchildren.
- With the high rate of divorce and lawsuits, you may worry about your assets ending up in the hands of your children's spouses or creditors.
- With current "spend now, save later" attitudes and values so different from yours, you may worry that your children will not be responsible with the assets you worked all your life to accumulate.
- With so much of our personal information available to others through giant computer databases, you may worry about how to protect your privacy.
- And with tax rates and legal fees so high, you may be concerned about how much of your assets your loved ones will actually receive.

A living trust can provide the solutions to all these concerns and more. In fact, as you will see in this book, a living trust fits the needs of today's families far better than any other plan.

You will learn how you can lose control when you have a will, when you don't have a will, when you use joint ownership, give away assets, or use beneficiary designations to transfer your assets—and how a good portion of your assets can be lost *unnecessarily* to court costs, legal fees, unintended heirs, and taxes.

You will also learn how you can keep control—while you are living, if you become incapacitated, and even after you die—with a revocable living trust. You will learn that a living trust not only avoids probate and saves taxes, but also gives you more flexibility and control, and preserves your privacy.

We wrote this book because there is so much confusion and incorrect information about estate planning. People are frustrated by books, articles, and professionals they can't understand. They make bad decisions based on incorrect or incomplete information. And many risk the assets they spent a lifetime acquiring with inadequate do-it-yourself forms and fly-by-night promotions.

Before we tell you more, there are a few things we'd like you to know:

1. We wrote this book for you, the consumer. We have written it in clear, conversational English, and have intentionally avoided the use of technical legal terms whenever possible. We want you to understand this information—so you can be in control and tell your attorney what *you* want.
2. This edition of *Understanding Living Trusts*[®] is the most complete and up-to-date ever. We keep in touch (almost daily) with our readers nationwide to find out their most current questions and concerns. We then interview some of the nation's top estate planning attorneys—our Contributing Editors—and other experts to find the answers for you.
3. We are presenting this information as a general overview. We haven't gotten bogged down with specific laws and local customs, complicated tax discussions, or every conceivable situation that could come up. You may find some minor variations in your state's laws, but generally these will only be technical and won't affect the overall message.
4. This book is not a “do-it-yourselfer.” Generic form books and kits cannot address the unique needs of different families in different states. We believe you need assistance from an experienced and conscientious attorney—and we'll help you find one.
5. This book is your personal “action plan” for setting up a living trust. Inside, you'll learn:
 - what a living trust is, how it works, and the steps you'll need to take to set up one;
 - what to consider when deciding how you want your loved ones to inherit from you;
 - how to find the right attorney to prepare your living trust;
 - how to organize information your family will need; and
 - step-by-step instructions for what your family needs to do if you become incapacitated and after you die.

Our mission in writing this book is to educate and empower you. Our hope is that you will not only better understand the many benefits of a living trust, but that you will also take this knowledge and secure the financial future of your loved ones.

We know the value of a living trust. It has changed our lives and given us peace of mind. When properly set up, it can do the same for you and your family.