

October 2016
Ask a Trust Officer

Taxes and living trusts

Dear Trust Officer:

How much can I save on my income taxes if I put my investments into a living trust?—*Looking for loopholes*

Dear Looking:

Nothing. A revocable living trust that a grantor sets up to manage his or her wealth provides no income tax advantages. The trust's income and capital gains are taxable to the grantor.

The benefits of a living trust are elsewhere. When we are the trustees of your living trust, you get investment convenience and our professional expertise in investment supervision. You can leave the investment worries to us.

Living trusts also provide financial privacy at death. This can be very important to celebrities, and you may think that it won't be as important to your family if you are not famous. Still, do you really want the whole world to be able to know what your beneficiaries will receive after you die? Because that is what will happen when your will is probated.

We would be most pleased to discuss living trusts with you in more detail—please make an appointment to see us at your earliest convenience.

Do you have a question concerning wealth management or trusts? Send your inquiry to trustofficer@bankname.com.

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