

APPENDIX B

Short Form: Guide to Trust Funding

See the information in this section for detailed instructions and letters of instruction for various types of assets. This list covers most things for most people.

Below are some guidelines on transferring some kinds of property to a trust. If you have property not listed below, contact the institution in charge of it and ask about their procedure or look in the detailed instructions. Keep in mind that each company you deal with will have its own procedure, forms, and preferred language they use when making transfers to your trust, so be prepared to be flexible. They will want to see your certificate of trust existence or the trust itself. It is okay to give them a copy, but under no circumstances let them keep the original.

In general, transfers of assets to the trust will be done as follows:

1. Transfer directly into the name of the trust. The assets (such as real estate, bank accounts, CDs, money markets, and stocks) will be in the name of your trust rather than in your name. You will contact the institution and request this change (using, for example, the General Account Transfer Letter in your packet), and the institution will change the ownership of the account or asset to the name of the trust.
2. Life insurance is changed by changing the primary beneficiary to the name of the trust if you want it to be part of the trust assets.
3. Tax-deferred assets, such as IRAs, 401(k)s, TIAACREF, 403(b)s, etc.,

depend upon several things. If you are married, the spouse normally remains the primary beneficiary in order to retain all rollover elections in an easy manner. The trust would be the second or alternate beneficiary if you want these assets controlled by the trust; otherwise you can directly name the second beneficiary and leave these out of the trust. Typically if you have children, you will want the trust as the second beneficiary rather than the children. A single person will either name the trust as primary beneficiary or an individual person. You can discuss this with your attorney or financial advisor. Payout elections may still be available to beneficiaries if the trust provisions are complete using the “look through” provisions of the IRS code.

4. Certain credit union and bank accounts, brokerage accounts—particularly those with direct deposit—and pension and Social Security accounts may be more easily handled by a “pay on death” (POD) or “transfer on death” (TOD) designation. A transfer form is included herein for that purpose. (Credit unions sometimes require this procedure because some do not allow trusts to own accounts.)
5. Automobiles, motorcycles, boats, trailers, and other things with titles can be put into the trust name at the Secretary of State’s office or tax office—whatever it is called in your jurisdiction—if there are no liens on the titles. Sometimes there is an alternate way to transfer titles. If there is to be no probate—and there would not be with a fully funded trust—the state may transfer titles to the next of kin merely by seeing the death certificate and signing their affidavit.

Personal property such as furniture and household goods, jewelry, collections, animals, tools, farm equipment, or other tangible assets without titles will be part of the trust by virtue of the Assignment of Assets form, which is part of every well-written trust.