

UNDERSTANDING A TRUST (State of Michigan)

Simple Guide for Legacy Planning

What is a Trust?

A trust is a legal arrangement where you place your assets into a protected structure so they can be managed and distributed according to your wishes.

Think of it as: a container + instructions + a manager.

The 3 Key Roles

Grantor: The person who creates the trust (you).

Trustee: The person who manages the trust and follows your instructions.

Beneficiaries: The people who receive the assets.

What Can Be Placed in a Trust?

Homes, bank accounts, investments, vehicles, and personal valuables.

Why Trusts Are Important in Michigan

- Avoid probate (no court delays)
- Maintain privacy
- Control how and when assets are distributed
- Protect you if you become unable to make decisions

What Does 'Revocable' Mean?

A revocable living trust can be changed, updated, or canceled at any time while you are alive.

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Funding the Trust

You must transfer assets into the trust for it to work. If assets are not placed into the trust, they are not controlled by it.

How a Trust Works

While you are alive: You stay in control.

If incapacitated: Trustee steps in.

After death: Assets are distributed without probate.

Trust vs Will

Trust: Avoids probate, private, works during life.

Will: Goes through probate, public, only effective after death.

When You Should Consider a Trust

If you own property, have children, want to avoid probate, or want structured inheritance planning.

Faith & Legacy Perspective

A trust is a tool of stewardship, helping ensure your family is protected and your wishes are honored.

“A good person leaves an inheritance to their children’s children.” – Proverbs 13:22