

Last Will vs. Revocable Living Trust vs. Joint Tenancy

Proper planning for the inevitability of death and the possibility of incapacity involves simultaneous analysis of multiple, complex legal and tax issues. We can design a plan that details how your assets are to be managed and to whom and under what conditions they are distributed after you and/or your spouse passes away, while eliminating or reducing any estate taxes to the legal minimum. A complete plan also addresses decisions regarding your health, your property and the care of those who depend on you, during any period of your temporary or permanent incapacity. This matrix illustrates a general, preliminary and incomplete analysis of three major approaches to effectuate the transfer of property when some dies. Please seek legal counsel as warranted and always consult your accountant and financial advisor.

	Last Will	Revocable Trust	Joint Ownership
Takes effect at death	X	X	X
Takes effect upon incapacity		X	
Maintain current control of assets	X	X	
Court intervention required when:			
Making distributions	X		
Appointing administrator	X		
Investing Assets	X		
Improper management	X	X	X
Court costs	X		
All heirs and creditors must be notified upon death	X		
Provides for prior or simultaneous death of intended heir	X	X	
Easy to Amend	X	X	
Administrator can act quickly if needed		X	
Reduces estate taxes for married couples after 2012		X	
Can provide asset protection for survivors		X	
Creation can have gift tax consequences			X
Intended heir obtains legal rights that cannot be terminated or changed without their consent			X
Assets exposed to claims against co-owner (e.g. divorce, bankruptcy, judgments, IRS, etc.)			X
Annual Income tax reporting is affected			X
Requires transfer of legal title to assets		X	X
Continues beyond death		X	
Allows you to create conditions that heirs must satisfy before receiving assets		X	
Privacy		X	
Protects against your heirs' past, current or future spouses		X	
Protects heirs with special needs		X	
Preserves assets for future generations		X	
Allows for professional administration of assets during any incapacity and upon death		X	
Requires the assistance of an attorney	X	X	X