

DIFFERENCE BETWEEN A WILL AND A TRUST

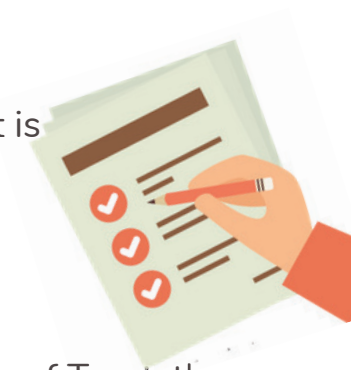
IT'S NEED AND BENEFITS

"You can't take it with you when you go." While this familiar statement is true, you can and should do your best to control your assets from beyond the grave. The estate planning is the best way to properly transfer your Estate (all your assets, liabilities and the responsibilities) to your preceding generations. The common terms you hear while doing estate planning are "Will" and "Trust". But these terms are often confused, though they are really very different. It's important to know about Will and Trust which will aid you select the best suited one for your estate planning.

The difference between Will and Trust

Structure

A Will contains a declaration of the testator, regarding the management and distribution of his personal estate. While, a Trust is a legal arrangement, in which the trustor authorizes a trustee to manage the transferred asset for the sake of beneficiary.



Document it follows

The Will itself is a document containing all the details, while in case of Trust, the Trust Deed has to be executed.

The Property it covers



A Will can only govern the disposition of property owned in your sole name at the time of your death. It cannot address assets that pass directly to a beneficiary by contract or by operation of law. On the other side, a Trust can govern and distribute any property it's been funded with. The grantor transfers his assets into it after it's formed.

When does it become effective?

A Will becomes effective only on the occasion of demise of the testator. A Trust