



# PINEYWOODS FINANCIAL

MONTHLY NEWSLETTER

**NOVEMBER NEWSLETTER**

## **TRUSTS 101: EXPLORING YOUR OPTIONS AND THEIR ROLES IN ESTATE PLANNING**

# Using Trusts in Estate Planning: Discover Potential Tools to Help You Plan for the Future

Although we all hope to enjoy many more years with our loved ones, creating an estate plan is essential for every adult, no matter their age. Having a plan in place means your wishes will be followed, both in terms of asset distribution and the financial well-being of those you care about. One key aspect of estate planning is using trusts, which offer a variety of advantages for individuals and families. In this guide, we'll cover the fundamentals of using trusts in estate planning, explain the different types, and explore how trusts may play a vital role in your estate planning process.

## Trusts 101: A Foundational Understanding

Though a trust can be a complex financial tool, when you distill it down to the basics, it is a legal arrangement that allows you to set aside assets for the benefit of specific individuals or purposes. At its core, a trust involves three key parties:

- **Grantor:** The person who establishes the trust and contributes assets to it.
- **Beneficiary:** The individual(s) or entity (such as a charity) who will benefit from the trust's assets.
- **Trustee:** The person or institution responsible for managing the trust and ensuring the assets are distributed according to the trust's terms.

## Types of Trusts

Trusts come in various forms, each designed to serve specific purposes. Here are a few common types you might consider as you think about trusts and estate planning:

### Revocable Living Trust

A revocable living trust is established during the grantor's lifetime and can be modified or revoked as needed. It allows assets to avoid probate, potentially saving time and costs for beneficiaries – both of which are significant advantages when your loved ones are already facing a difficult time of grief.

### Irrevocable Trust

An irrevocable trust, once established, generally cannot be altered without the consent of the beneficiaries. This type of trust can offer potential estate tax benefits and protection from creditors.

### Testamentary Trust

Created through a will, a testamentary trust comes into effect after the grantor's death. It can be used to provide for minor children or individuals with special needs.

### Special Needs Trust

If one or more of your loved ones have special needs, you might also consider a special needs trust (SNT). This is a trust designed to provide for the long-term care of individuals with disabilities without jeopardizing their eligibility for government benefits.

### Charitable Remainder Trust

This type of trust allows the grantor to donate assets to a charitable organization while retaining an income stream for a specified period. Upon the trust's termination, the remaining assets go to the chosen charity – a meaningful distribution of your assets upon your passing.

## Using Trusts in Estate Planning: Potential Advantages

Incorporating a trust into your estate plan can be a beneficial strategy in certain situations. Here are some key advantages of using trusts in estate planning as you plan for the future:

### **Probate Avoidance**

As mentioned above, assets placed in a trust can bypass the probate process, which can be time-consuming and costly – not to mention stressful for your heirs. Combining trusts and estate planning allows your beneficiaries to receive their inheritances more quickly and efficiently.

### **Privacy**

Unlike wills, which are subject to public record, trusts provide a level of privacy as their terms and distributions are generally private. In this way, you can keep family matters away from prying eyes.

### **Control and Flexibility**

As you think about the topics of trusts and estate planning, consider that trusts allow grantors to specify how and when assets are distributed to beneficiaries. This can be particularly useful for individuals who want to provide for minor children or make certain funds are managed responsibly.

### **Tax Efficiency**

Certain trusts, such as irrevocable life insurance trusts (ILITs), can help minimize estate taxes by removing the insurance policy from the grantor's taxable estate.

### **Caring for Loved Ones**

Specialized trusts, like special needs trusts mentioned above, make sure that loved ones with specific needs are provided for without jeopardizing their eligibility for government assistance.

### **Using Trusts in Estate Planning: Do You Need Professional Guidance?**

While trusts offer many advantages, it's beneficial to seek guidance from an experienced estate planning attorney or financial advisor to help you determine the most suitable strategy for your individual circumstances. These experienced professionals can guide you in crafting a trust and estate plan that reflects your objectives for using trusts in estate planning so you can provide financial support for your loved ones in the future.


[Sources]

[1] <https://www.investopedia.com/terms/p/probate.asp>

[2] <https://www.investopedia.com/articles/personal-finance/092315/7-reasons-own-life-insurance-irrevocable-trust.asp>



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WOULD BENEFIT FROM THIS INFORMATION,  
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Here* →



# IMPORTANT OFFICE UPDATES



*Retirement Seminars*

*Save the Date!*

Upcoming Nacogdoches Seminars:

-- Clear Springs Restaurant --

**December 3rd at 11AM**

**December 5th at 6PM**

Join us for one of these upcoming Seminars. If you are a current client of Pineywoods Financial, please bring a first-time guest. Call to register today!

**(936) 559-1123**

# RECIPE OF THE MONTH



## Ultimate Fall Salad

### PREP TIME

15 minutes

### COOK TIME

30 - 40 minutes

### SERVES

4

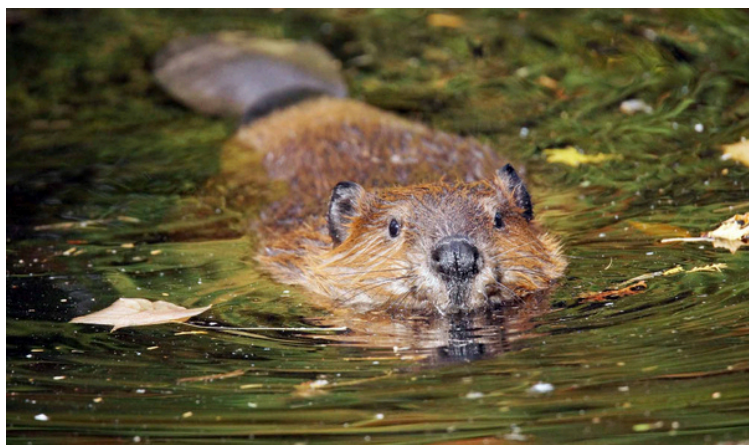
## INGREDIENTS

- 1 large delicata squash (about 1 pound)
- 5 tablespoons olive oil, divided
- 1 teaspoon kosher salt, divided
- 1/2 teaspoon freshly ground black pepper, divided
- 1 cup uncooked pearled farro
- 3 cups water
- 1/2 teaspoon ground coriander
- 1/2 teaspoon ground cinnamon
- 1/4 teaspoon ground cardamom
- 1/4 teaspoon ground cumin
- 1/4 teaspoon ground ginger
- 1/4 teaspoon ground turmeric
- 1/8 teaspoon red pepper flakes
- 1/2 cup raw pumpkin seeds (pepitas)
- 1 large lemon
- 3 tablespoons white wine vinegar
- 1 tablespoon honey
- 1 large head radicchio (about 12 ounces)
- 1 medium apple, such as Fuji or Gala
- 3 tablespoons fresh parsley leaves
- 2 tablespoons finely chopped fresh chives
- 2 ounces blue cheese or fresh goat cheese, crumbled (about 1/2 cup)

## DIRECTIONS

1. Preheat a 6 quart dutch oven over medium heat with 2 tablespoons olive oil. Brown the beef and pork mixture with 1 sprig of rosemary and 2 teaspoons salt and pepper for 5 to 7 minutes.
2. Add garlic, celery, onion, and carrots and cook for 10 to 12 minutes.
3. Add San Marzano tomatoes, tomato paste, wine, sugar, and bay leaf, then stir and bring to a light boil. Cover with a lid and simmer for 1 to 3 hours. The longer it simmers, the more the flavors of the sauce will develop.
4. Taste and adjust seasonings. Remove the rosemary sprig and bay leaf, then add your milk and combine.
5. Cook pasta according to package directions. Drain, reserving a little pasta water. Add pasta water as needed until the sauce reaches your preferred consistency.
6. Add the pasta to the dutch oven. Serve tossed in sauce and garnished with parmesan and basil.

## Fun Fact of the Month



November's full Moon is traditionally called the **Beaver Moon**. Why this name? In the colonial era, this was the month to set one's beaver traps before the swamps froze and beavers retired to their lodges, to ensure a supply of warm winter furs.

# Today's Newsletter

FROM THE DESKS OF...



**DAVID  
COWEE**

PFS PRESIDENT &  
INVESTMENT  
ADVISOR REP



**CHAD  
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INVESTMENT  
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