

REVOCABLE LIVING TRUSTS GLOSSARY OF TERMS

BENEFICIARY – One for whose benefit the living trust is created and funded.

CONSERVATOR ó A person who has the legal duty to care for and maintain the person and/or property of an incapacitated adult.

ESTATE TAXES ó The death taxes imposed by the federal government on the transfer of assets at death. Estate taxes are generally paid by the executor of the probate estate or the trustee of a living trust.

EXECUTOR ó The person or institution who is appointed by the testator or testatrix in his or her will to take care of the funds and property after death (also referred to as the "personal representative" of the estate). The executor functions under the jurisdiction of the probate court.

FIDUCIARY ó The obligation to manage assets in the same way a prudent person would manage his own assets.

GUARDIAN ó The person who has the legal duty to care for and maintain the person and/or property of an unmarried minor child.

HEIR ó A person who inherits property (according to state law scheme of distribution) from a person who dies intestate.

INTESTATE ó A situation where a person dies without leaving a valid will.

ISSUE ó Lineal descendants of all degrees (e.g., children, grandchildren, great-grandchildren, etc.).

JOINT TENANCY ó A co-ownership of property by two or more parties in which each owns an undivided interest that passes to the other co-owners on his or her death (known as the "right of survivorship").

LIFE TENANT ó A trust beneficiary whose interest consists solely for the use of, and income flow from, the trust funds during his lifetime.

LIVING TRUST ó (Also "INTER-VIVOS" TRUST) ó A legal entity established by means of a written trust instrument during the lifetime of the creator of the trust. The terms of the trust instrument govern the operation of the trust and control of trust property.

PROBATE ó The legal proceedings by which the probate court is given full jurisdiction over the assets of the decedent. Probate starts with the filing of the decedent's will with the court, and ends after all taxes and debts of the decedent have been paid and the assets accounted for

distributed in accordance with the terms of the decedent's will. Probate usually lasts for at least nine months and can often endure for two years or more.

TESTATOR ó (If female, TESTATRIX) ó A person who makes a will.

TRUSTEE ó The person or institution who is responsible for holding, managing, and distributing money and other property contributed to the living trust for the exclusive use and benefit of the beneficiaries.

TRUSTOR/SETTLOR/GRANTOR ó Parties who establish a trust by transferring property to a trustee to be managed for the benefit of another.