



# **5 Ways an Estate Planning Trust Protects Your Wealth and Your Loved Ones**

Because a Will is Not the Only Way





## Time seems to pass faster the more you age.

Just yesterday you were walking the stage in your cap and gown to receive your diploma, terrified of what the future might bring. Today, you're concerned how your assets will be protected and transferred to your loved ones once you pass.

### **Your first reaction: "I have a will, so I'm fine."**

A will alone may not solve all your financial issues. In fact, many people don't realize that having only a will can lead to more financial questions after its creator passes away.

Developing a solid estate plan now that includes an estate planning trust can help to reduce or avoid potential conflict between your loved ones in the future.

Additionally, utilizing an estate planning trust can better aid in the protection and transfer of your assets. From quickly covering funeral expenses to easily passing along remaining money to the people and causes you care most about, this type of trust can truly help your family when they likely need it most.

How can you ensure an estate planning trust will preserve your legacy?

# 1. Use the money you already have

You do not need an alternate way to earn money specifically for building your estate trust. Consider your current finances. Do you have a rainy day fund, certificate of deposits (CD), money market accounts or an annuity? You can use the money you already have to fund an insurance policy, which is placed in a trust, helping to safeguard your financial legacy and ensuring your final expenses are taken care of.

You can even add the cash value of a fully paid-up life insurance policy through a 1035 Exchange. This exchange grants you the ability to transfer funds from your life insurance policy into another policy and then safely into your estate planning trust, income tax-free.

With only a will it may take years for your beneficiaries to gain access to these funds after you pass away because of the court systems and probate. However, funds in your estate planning trust may be available to your beneficiaries in only a few days.



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## 2. Reserve assets for your favorite charities

Most estate planning trust options offer you the ability to designate funds to causes closest to your heart. Providing money to your favorite charity allows you to create a living legacy by helping the organization continue their meaningful work.

One of the best parts about an estate trust is that you are not forced to choose between your beneficiaries and favorite charities. Estate planning trusts allow you to help

those in need while also sharing with your loved ones. Your options are endless, and an advisor can provide insight to help ensure your trust is arranged in such a way that your wishes are carried out accordingly.

Since these funds are income tax-free, your beneficiaries and charities of choice receive the full amount you intended.

**An estate planning trust offers so much more than asset security. It brings peace of mind in one of the most trying times in your loved ones' lives. Be sure they're properly protected by taking advantage of the right estate planning trust.**



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### 3. Ensure your funds are exempt from probate

The funds located in an estate planning trust are exempt from probate, which means less wait time before your beneficiaries receive funds.

Arranging the when, where, and how details of a funeral is difficult enough when emotionally overwhelmed. If your beneficiaries are left to plan your funeral without an estate planning trust, they're likely to pay thousands of dollars out-of-pocket in order to cover the costs, while your savings, mutual funds, and other assets sit in probate. Today's basic funeral is approximately \$8,508.\* Add in the typical fees associated with the cemetery, monument, obituary, and flowers, your beneficiaries can expect to pay, on average, around \$14,858.\*\*

It is not uncommon for funeral homes to expect payment before services have begun. If your loved ones are not prepared, you may unintentionally put them thousands of dollars in debt. Assets can experience probate delays lasting from a few months to a few years. With no determined end in sight, your beneficiaries are left in the dark, potentially missing their own mortgage or car payments to make sure your end of life expenses are covered.

Incorporating an estate planning trust into your financial portfolio can help you easily eliminate the struggles of out-of-pocket funeral expenses for your beneficiaries.

\*2015 National Funeral Directors Association General Price List Survey.

\*\*<https://www.everplans.com/articles/how-much-does-it-cost-to-be-buried-in-a-cemetery>

## 4. Safely leave assets to a beneficiary with a disability

If your child, grandchild or other beneficiary has a disability there most likely is a Special Needs Trust in place. If you only designate monies for that individual in your will, there can be problems. First, there is probate, which can take months, if not years in some cases to settle. Second, any monies you provide directly to an individual with special needs could very well disqualify them, at least for a period of time, from any government benefits they may currently be receiving. This could greatly erode the balance of the funds that have already been designated for their care.

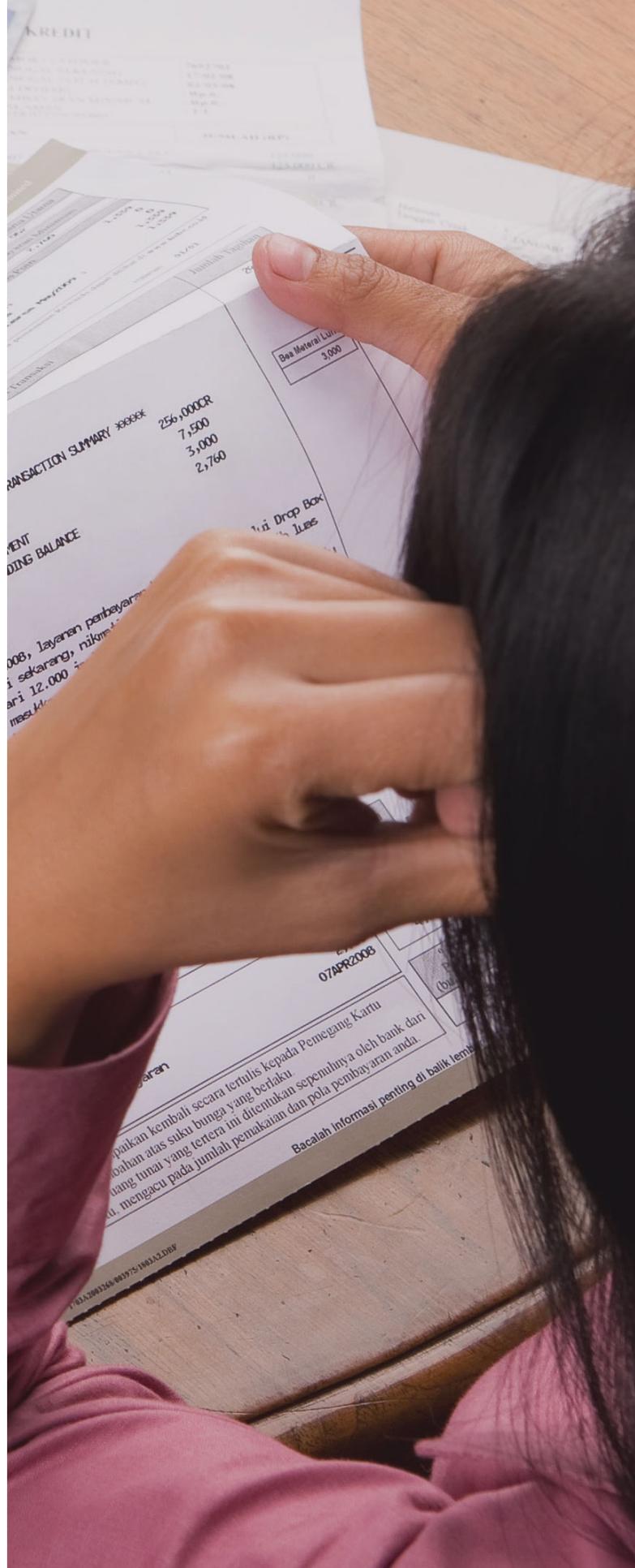
By purchasing a whole life policy on yourself, placing that policy into an estate planning trust and then naming the Special Needs Trust as the beneficiary, you can rest easy knowing the money you want to provide is not only protected during your lifetime but will pass quickly to the trust previously set up for the care of your loved one. By utilizing this very easy process you will ensure that additional funds will be available after you pass away and will not jeopardize any government assistance they may be receiving. Please note: It is very important that the correct name of the Special Needs Trust is designated as the beneficiary.



# 5. Protect your assets from creditors

Unfortunate events happen in life that have financial consequences which could possibly jeopardize your best intentions of leaving money to loved ones or charities, if not both, after you're gone. Setting up an estate planning trust can ensure that money you intend to leave, along with funds designated for end of life needs, will be protected from creditors during your life should debt or a lawsuit ever become an issue. The Irrevocable assignment to the trust guarantees that the money cannot be attached or seized by anyone and the proceeds can be only be dispersed as you intended.

If desired, you can name another trust as the beneficiary of any proceeds remaining after end of life expenses are paid. This could further protect your gift for those who are to receive the money, although certainly not necessary. After all, one of the goals of using an estate planning trust is to have your intended recipients paid as quickly as possible, without delays, without it being at risk to any creditors.



# The NGL Estate Planning Trust

When a will is not enough, National Guardian Life Insurance Company (NGL) offers the NGL Estate Planning Trust. For more than 100 years, NGL has been dedicated to helping people like you provide a future of financial strength and stability for their loved ones. By working together and creating a financial plan that best fits your needs, NGL can offer protection for those who matter to you.

NGL's Estate Planning Trust has no hidden fees, anyone can qualify and you can designate unlimited beneficiaries.



## Funeral expenses paid directly to the funeral home

Set aside funds for funeral costs now with the NGL Estate Planning Trust, and funds will be distributed to the funeral home of your choice, in most cases within two business days. If you are not yet ready to determine the specifics, such as what type of service, where it will be held or what cemetery you would like to use, that's okay. You can still reserve the funds now through your estate planning trust with details to be determined later.

## Easy to set up and everyone qualifies

The NGL Estate Planning Trust comes with no hidden fees. Just fill out one additional form when applying for a NGL life insurance policy and we take care of the rest. Regardless of age, if you have a life insurance policy with NGL, you are automatically qualified.

Additionally, some trusts only allow a limited amount of beneficiaries and up to two charities, but NGL understands the power of giving and the importance of leaving a legacy. We make it easy for you to designate your money to your loved ones and favorite charities.



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