

# MEMBERS TRUST COMPANY

Trusts will help you achieve personal, financial and legal objectives, including saving on estate taxes, minimizing probate, avoiding a guardianship, providing asset management and ensuring personal wishes are carried out after your death. For many individuals, these objectives can be summarized into one overall goal – to grow, protect and preserve assets for you and your loved ones.

In many cases, wise planning will call for a trust company to act as the trustee for a trust established to achieve a personal financial goal. In other cases, you may receive guidance on estate planning and the selection of an attorney to finalize the estate plan.

Whatever your needs, the staff of Members Trust Company will work with you to implement a plan to achieve your personal goals and manage the assets you have worked so hard to accumulate.

## TESTAMENTARY TRUST

A testamentary trust is a trust created under a will, effective only upon death for one or more beneficiaries. This trust is important if you have minor children. It's flexible because you designate the terms, including the use of funds. It's specific regarding who manages the trust assets. Members Trust Company can be named to serve in that capacity if you wish.

## OTHER TRUSTS

An insurance trust can accomplish multiple financial needs, including providing immediate cash for an estate, avoiding federal estate taxes and creating a certain asset or account to achieve a special purpose.

A spendthrift trust is a trust created for a beneficiary who lacks the capacity to manage the assets. The trustee keeps control of the trust income, distributing money to the beneficiary as needed, and sometimes paying third parties (creditors, for example) on the beneficiary's behalf, bypassing the beneficiary completely. Spendthrift trusts typically contain a provision prohibiting creditors from seizing the trust fund to satisfy the beneficiary's debts. Members Trust Company, if named trustee, would manage the assets after your death and distribute them according to the standards and wishes set up by the trust.

A charitable trust offers you the opportunity to leave your personal legacy by making a substantial gift to a charity. Charitable trusts also achieve income and estate tax savings for the person who creates the trust.

A marital life estate trust, or an A-B trust, is a trust that allows couples to reduce or avoid estate taxes. Each spouse puts his or her property in an A-B trust. When the first spouse dies, his or her half of the property goes to the beneficiaries named in the trust (commonly, the grown children of the couple) with the crucial condition that the surviving spouse has the right to use the property for life and is entitled to any income it generates. When the surviving spouse dies, the property passes to the trust beneficiaries. It is not considered part of the second spouse's estate for estate tax purposes. Using this kind of trust keeps the second spouse's taxable estate half the size it would be if the property were left directly to the spouse.

## ESTATE SETTLEMENT

If, at your death, you have assets in your name only, those assets must first go through the legal process called probate before they can be distributed to your beneficiaries. Rather than burden a family member or friend, you can appoint Members Trust Company as executor or personal representative in your will to handle the probate.

When you designate Members Trust Company as your executor, you receive peace of mind as well as:

- Experience
- Professional asset management
- Competent, trained staff
- Reliable and regulated assistance
- Impartial help
- Reasonable fees

## GUARDIANSHIP

Guardianship is a legal relationship created by a court between a guardian and his ward – either a minor child or an incapacitated adult. The guardian has a legal right and duty to care for the ward. This may involve making personal decisions on his or her behalf, managing property or both. Guardianships of incapacitated adults are more typically called conservatorships.

Members Trust Company can be appointed Guardian of Property and will protect and manage the guardianship property until the minor reaches adulthood or as long as incompetence lasts.

You can get more information on Members Trust Company by visiting [www.memberstrust.com](http://www.memberstrust.com).

