

# Is Your Trust “Bucket” Funded?



“Plan well, be well”

**CURTIN** *Law Office*

A NH family resource for  
estate planning & elder law

John<sup>1</sup> was in his mid-fifties when he asked us to create an estate plan for his mother.

After completing the work we asked John about his own estate planning needs.

“I am all set,” he said. “I had an estate plan and trust created within the past year.”

Unfortunately, John passed-away unexpectedly just after we completed his mother’s estate plan, which is when we learned that his trust had never been funded!

## A Trust is Like a “Bucket”

Like many people, John had not recognized the importance of funding the trust. Apparently he had not been told that a trust is like a *bucket* a person carries through life. While carrying the “trust bucket” the person can decide what they’d like to place into it, thus “funding” the trust. They can also decide who should carry the bucket for them should they become unable to do so, and also how the assets within the bucket should be distributed when they die.

Because John’s trust was never funded, the probate court had to decide how to distribute his assets. He had multiple bank accounts that were not in the trust, and his children had difficulty agreeing on how the assets should be allocated, which complicated the situation.

Since the court had to become so involved in settling John’s estate, the cost to his family totaled \$25,000 – which was significantly more than what John had originally paid to have the trust created!

**“Once the court became involved  
the cost of probate for John’s  
family was \$25,000!”**

When a person dies, surviving family members do not always agree on how assets should be allocated or on what should happen with any real estate or personal property that might be part of the estate. An estate plan with a funded trust provides a good way to circumvent disagreements while combining estate planning goals with the avoidance of probate.

As evidenced by John’s situation, if the court is required to make these decisions the costs can be significant.

<sup>1</sup> Names have been changed

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