

Trust Services



Perspective

The word “trusts” seems to cause confusion as a planning strategy. Generically speaking, “trusts” are arrangements providing legal oversight on assets per the wishes of the person who funds them. The term is not directly related to those who are by definition “rich,” but for anybody who wants their asset-related instructions to be followed in life and/or death.

Over the past 20 years, there has been a consolidation of trust services among the various financial institutions. Many have removed these services from their local markets and many have eliminated the service completely. In 2000, the estate exemption was only \$675,000 per person and the top tax rate was at 55%. In 2020, that exemption is \$11,800,000 per person with a top tax rate at 40%. This gradual increase in exemption amount as well as reduction in tax rate caused institutions to reconsider offering trust services. However, trust services are not just for those with large estates.

Highland Trust Partners, therefore, has realized a need to help families in our communities with their trust requirements. Managing assets, saving taxes, providing for family members after death or becoming incapacitated, and other scenarios are facets of living that all people have to consider. We are here to help if a trust can provide a level of confidence related to any of these challenges.

Our Mission

To ensure families have a quality team of professionals working together to fulfill the intent of why trusts are created.

Our Core Values

Integrity | Service | Value
Knowledge | Objectivity

We will:

- Act as a Fiduciary in our client relationships.
- Analyze each client’s unique needs and wishes.
- Coordinate with client’s legal professionals.
- Develop a customized Investment Policy Statement.
- Be accessible to clients.
- Monitor and evaluate progress.

Reasons for a Trust

- 1. Protect Assets** — Protecting hard-earned assets from creditors, marriage breakdowns, or from those that might influence or mislead your beneficiaries.
- 2. Keeping Control** — Your trust documents contain your instructions for managing assets, and the use of your funds in the event of your death or incapacity.
- 3. Maintaining Your Privacy** — A living trust is private. When incapacity occurs, it will remain a private family affair.
- 4. Preserving Assets for Beneficiaries with Special Needs** — Properly worded trusts can be used to hold assets for beneficiaries while still meeting the requirements entitling him or her to receive government benefits moving forward.
- 5. Investment and Management of Assets** — Almost any asset can be held in trust, but it is imperative to understand the risk and the tax considerations when investing trust assets. The purposes/intents of the trusts need to be properly executed to meet the highest fiduciary standards under the Uniform Prudent Investor Act enacted by the American Bar Association.
- 6. Saving Taxes** — Almost all trusts have a level of tax savings (estate and/or income) for the grantor(s) or the beneficiaries.
- 7. Avoiding Probate** — Assets held in trusts fall outside of the estate, and therefore do not require probate or the payment of probate fees.

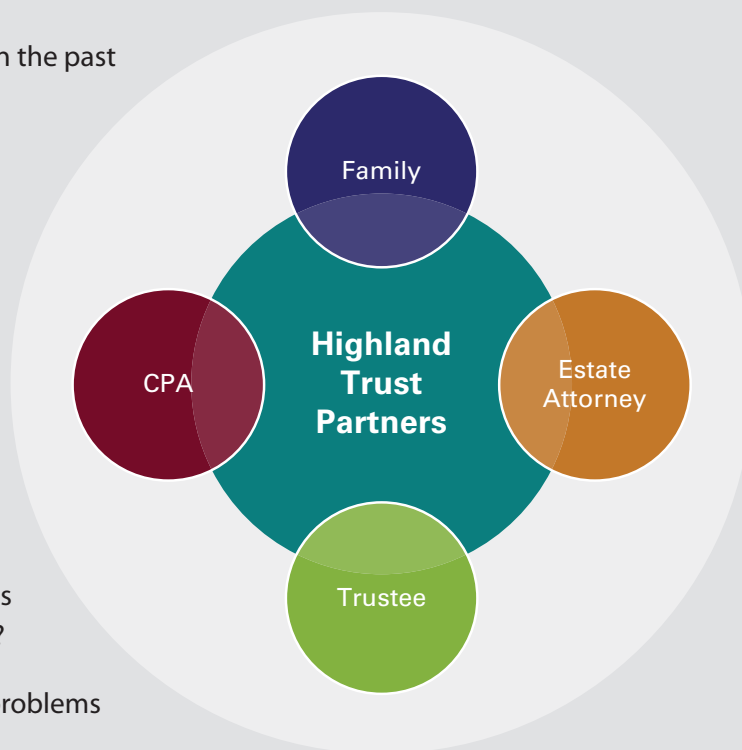
Types of Trusts

- Revocable or Living Trust**
A trust created during the grantor's life that allows it to be amended at any time. Once death occurs, the successor trustee distributes the assets from the trust under instructions from the original grantor allowing avoidance of probate.
- Lifetime Irrevocable Trust**
Assets gifted to a trust during life of the grantor. These assets are excluded from grantor's estate and do not go to probate and are tax exempt.
- Credit Shelter/Marital Trust**
A trust that splits marital assets between spouses into two different trusts. These are used to split up an estate for future beneficiaries.
- Dynasty or Perpetual Trust**
A type of irrevocable trust that passes assets from generation to generation without having to pay estate or gift tax.
- Charitable Remainder Trust**
The grantor and his/her spouse have the right to take an annuity payment and the balance goes to charity.
- Irrevocable Life Insurance Trust**
This is typically a survivorship trust that gives the grantor some restrictive powers.
- Usually a spouse is a trustee as well as a beneficiary.
- Personal Residency Trust**
A trust used to take the title of vacation or personal homes to reduce estate or gift tax.
- Special Needs Trust**
This is used for a child with special needs to help pay expenses while also protecting against losing benefits provided by state organizations.
- Spendthrift Trust**
An addition to an irrevocable trust preventing beneficiaries from spending too much of the trust at one time.

Do You Need Trust Services?

Depending on how you answer the following questions will assist in determining if you need trust services.

- Do you have a current will in place?
- Have you reviewed or updated your will in the past five years?
- Do you have a financial plan in place?
- Do you have assets that need to be sheltered?
- Do you need to provide income for your spouse or family after your death?
- Do you have people close to you who are capable of fiduciarily managing your financial affairs?
- Do you have complicated family dynamics such as members married multiple times?
- Do you have family members who have problems managing money?
- Do you have family members with special needs?



Highland Trust Partners will interview you and analyze your case, present the appropriate solution to you, and help build the team of professionals to address your needs. Your team may look like the chart shown above.

Our goal is to assure you have the best team working for you to address your needs. Contact us for a complimentary consultation.

Who Are We?

Founded in 2015, Highland Trust Partners collectively brings almost 100 years of experience in the finance industry. Offering an array of services, we guide clients through stresses in their lives. Whether it is financial planning, portfolio management, trust services, retirement planning, or business succession, Highland Trust Partners can assist most families and businesses. We tailor our strategies to address each client's needs by defining priorities. What is most



important to you in life? These are your priorities, and our team helps you develop plans to assist in ensuring that they are properly managed.



1077 Baxter Street, Suite 600
Athens, GA 30606
706-850-4965 (office)
www.highlandtrustpartners.com



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