FREQUENTLY ASKED QUESTIONS

7. Additional Questions (Miscellaneous)

Q1: How is a trust taxed compared to an LLC or an S-Corp?
Trusts, LLCs, and S-Corps are different types of entities with unique tax implications. A trust may be taxed based on its type—revocable or irrevocable—while LLCs and S-Corps have their own tax structures. It's important to speak with a CPA or estate planning attorney to understand the specific tax treatments for each entity.

Q2: If you have a trust overseas in a different country, can we merge that with a trust in the US? Can a US-based trust own a foreign trust?
Merging a foreign trust with a US-based trust or having a US trust own a foreign trust can be complex and depends on the laws of both jurisdictions. It's best to consult with a professional who has expertise in international law to navigate these issues properly.

Q3: If your child owns property and you are only a co-signer on the loan, in the event of incapacitation, would the parents have access to that property? What documents should you have to get access?
As a co-signer, you do not have any ownership interest in the property, even though you are equally responsible for the mortgage. If your child becomes incapacitated, legal issues will arise that must be addressed to access the property. Consulting an attorney about your specific situation is advisable.

Q4: Are monthly payments from a trust to beneficiaries taxable to the beneficiaries?
It depends on how the payments are structured and what the payments are for. In some cases, trust distributions may be taxable to beneficiaries, while in others, they may not be. It is essential to consult with your estate planning attorney for guidance specific to your situation.

Q5: What is the approximate cost of having an estate plan done?
The cost of an estate plan can vary depending on its complexity. A simple estate plan may cost between $3,000 - $5,000 USD, while more complex plans may cost more. The total cost will depend on what you want to achieve with your estate plan and the value of your assets.

Q6: If we have an estate plan but are planning on moving in the next 5 years to a different state, do we have to redo our estate plan in that new state?
It depends. You will want to meet with an estate planner in your new state to ensure your plan still meets your needs and complies with the laws of the new state. Some elements of the estate plan may need updating to reflect state-specific requirements.

Q7: How do you value your assets? Is it tax value? A private appraiser?
The value of your assets is typically based on their fair market value—what a willing buyer and a willing seller would agree to if there was no pressure to buy or sell. You may use tax assessments for some assets, but a private appraiser may be necessary for more accurate valuations, especially for unique or high-value items.