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Understanding the Duties and Responsibilities of a Trustee

1. Overview

If you have been named as a trustee or successor trustee for someone's living trust, you may be wondering what you are supposed to do. Successor trustees can relax a bit, because you don't do anything right now. You will only begin to act when the person becomes unable to manage his or her financial affairs due to incapacity, or when he or she dies. If you have been named as a trustee, you may already be acting in that capacity.
In either case, it is important that you understand your duties and responsibilities. These FAQs will help. Let's start with some explanations.

2. What is a trust?

A trust is a legal entity that can "own" assets. The document looks much like a will. And, like a will, a trust includes instructions for whom you want to handle your final affairs and whom you want to receive your assets after you die. There are different kinds of trusts: testamentary (created in a will after someone dies); irrevocable (usually cannot be changed); and revocable living trusts.
Today, many people use a revocable living trust instead of a will in their estate plan because it avoids court interference at death (probate) and at incapacity (guardianship or conservatorship, sometimes called "living probate"). It is also flexible. As long as you are alive and competent, you can change the trust document, add or remove assets, even cancel it.

3. How does a living trust work?

For a living trust to work properly, you must transfer your assets into it. Titles must be changed from your "individual" name to the name of your trust. Because your name is no longer on the titles, there is no reason for the court to get involved if you become incapacitated or when you die. This makes it very easy for someone (a trustee or successor trustee) to step in and manage your financial affairs.

4. Who are the people involved with a living trust?

The **grantor** (also called settlor, trustor, creator or trustmaker) is the person whose trust it is. Married couples who set up one trust together are co-grantors of their trust. Only the grantor(s) can make changes to his or her trust.*

The **trustee** manages the assets that are in the trust. Many people choose to be their own trustee and continue to manage their affairs for as long as they are able. Married couples are often co-trustees, so that when one dies or becomes incapacitated, the surviving spouse can continue to handle their finances with no other actions or steps required, including court interference.

A **successor trustee** is named to step in and manage the trust when the trustee is no longer able to continue (usually due to incapacity or death). Typically, several are named in succession in case one or more cannot act. Sometimes two or more adult children are named to act together. Sometimes a corporate trustee (bank or trust company) is named. Sometimes it is a combination of the two.

The **beneficiaries** are the persons or organizations who will receive the trust assets after the grantor dies.

*Some trusts have a **trust protector** or **trust advisor** authorized to make changes to the trust. The rights and responsibilities of this person vary from trust to trust and are usually defined in the trust. Talk with your attorney if you see language about a trust protector or trust advisor in a trust that you're administering.

5. What do I need to know now?

The grantor should make you familiar with the trust and its provisions. You need to know where the trust document, trust assets, insurance policies (medical, life, disability, long term care) and other important papers are located. However, don't be offended if the grantor does not want to show you values of the trust assets; some people are very private about their finances. This would be a good time to make sure appropriate titles and beneficiary designations have been changed to the trust. (Some assets, like annuities and IRAs, will list the trust as a contingent beneficiary.)

You also need to know who the trustees are, who successor trustees are, the order in which you are slated to act, and if you will be acting alone or with someone else.

6. What responsibilities will I have as a trustee?

The most important thing to remember when you step in as trustee is that *these are not your assets*. You are safeguarding them for others: for the grantor (if living) and for the beneficiaries, who will receive them after the grantor dies.
As a trustee, you have certain responsibilities. For example:

- You must follow the instructions in the trust document.
- You cannot mix trust assets with your own. You must keep separate checking accounts and investments.
- You cannot use trust assets for your own benefit (unless the trust authorizes it).
- You must treat trust beneficiaries the same; you cannot favor one over another (unless the trust says you can).
- Trust assets must be invested in a prudent (conservative) manner, in a way that will result in reasonable growth with minimum risk.
- You are responsible for keeping accurate records, filing tax returns and reporting to the beneficiaries as the trust requires.

7. Do I have to do all of this myself?

No, of course not. You can have professionals help you, especially with the accounting and investing. You will also probably need to consult with an attorney from time to time. However, as trustee, you are ultimately responsible to the beneficiaries for prudent management of the trust assets.

8. How will I know if the grantor is incapacitated?

Usually the trust document contains instructions for determining the grantor's incapacity. The trust may require one or more doctors to certify the grantor is not physically or mentally able to handle his or her financial affairs.

9. What do I do if the grantor is incapacitated?

If all assets have been transferred to the trust, you will be able to step in as trustee and manage the grantor's financial affairs quickly and easily, with no court interference.
First, make sure the grantor is receiving quality care in a supportive environment. Give copies of health care documents (medical power of attorney, living will, etc.) to the physician. If someone has been appointed to make healthcare decisions, make sure he or she has been notified. Offer to help notify the grantor's employer, friends and relatives.
Next, find and review the trust document. (Hopefully, you already know where it is.) Notify any co-trustees as soon as possible. Also, notify the attorney who prepared the trust document; he or she can be very helpful if you have questions. You may want to meet with the attorney to review the trust and your responsibilities. The attorney can also prepare a certificate of trust, a shortened version of the trust that also proves you have legal authority to act.
You will want to become familiar with the grantor's insurance (medical and long term care, if any) and understand the benefits and limitations. Assuming the insurance will cover a certain procedure or facility could be a costly mistake.
Have the doctor(s) document the incapacity as required in the trust document. Banks and others may ask to see this and a certificate of trust before they let you transact business.
If there are minors or other dependents, you will need to look after their care. The trust may have specific instructions. If the grantor's incapacity is expected to be lengthy, a guardian (of the person, not assets) may need to be appointed by the court. The attorney can help you with this.
Become familiar with the finances. You need to know what the assets are, where they are located and their current values. You also need to know where the income comes from, how much it is and when it is paid, as well as regular ongoing expenses. You may need to put together a budget.
If you cannot readily find this information, others (family members, banker, employer, accountant) may be able to help you. Last year's tax returns may be helpful. Also, if you discover any assets that were left out of the trust, the attorney can help you determine if they need to be put into the trust and can then assist you.
Apply for disability benefits through the grantor's employer, social security, private insurance and veteran's services. Notify the bank and other professionals that you are now the trustee for this person. Put together a team of professionals (attorney, accountant, banker, insurance and financial advisors) to help you. Be sure to consult with them before you sell any assets.

Now you can start to transact any necessary business. You can receive and deposit funds, pay bills and, in general, use the person's assets to take care of him or her and any dependents until recovery or death.
You'll need to keep careful records of medical expenses and file claims promptly. Keep a ledger of income received and bills paid. An accountant can show you how to set up these records properly. The trust may require you to send accountings to the beneficiaries. Also, don't forget income taxes (due April 15) and property taxes.

10. What happens if the grantor recovers?

You go back to being a co-trustee or successor trustee and the grantor resumes taking care of his or her own financial affairs. It's very easy, and there is no court involvement.

11. What do I do when the grantor dies?

You will have essentially the same duties as an executor named in a will would have. But if all titles and beneficiary designations have been changed to the grantor's trust, the probate court will not be involved. That means you will be able to act on your schedule instead of the court's.
The trustee is responsible for seeing that everything is done properly and in a timely manner. You may be able to do much of this yourself, but an attorney, corporate trustee and/or accountant can give you valuable guidance and assistance. Here's an overview of what needs to be done.
Inform the family of your position and offer to assist with the funeral. Read the trust document and look for specific instructions. Notify a co-trustee as soon as possible.
Make an appointment with an attorney to go over the trust document, trust assets and your responsibilities as soon as possible. *Do not sell or distribute any assets before you meet with the attorney.*
Before the meeting, make a preliminary list of the assets and their estimated values. You'll need exact values later, but this will help the attorney know if an estate tax return will need to be filed (due no later than nine months after the grantor's death). If there is a surviving spouse or if the trust has a tax planning provision, the attorney may need to do some tax planning right away. At this point, the trust may also need its own tax identification number. The attorney or a CPA can assist you with getting the right tax identification numbers.
Collect all death benefits (social security, life insurance, retirement plans, associations) and put them in an FDIC or NCUA insured interest bearing account until assets are distributed. If

the surviving spouse or other beneficiary needs money to live on, you can probably make some partial distributions. But do not make any distributions until after you have determined there is enough money to pay all expenses, including taxes.
Notify the bank, brokerage firm and others of the grantor's death and that you are now trustee. They will probably want to see a certified death certificate (order at least 12), a certificate of trust and your personal identification.
To finalize the list of assets, you will need exact values as of the date of the grantor's death. Some assets will need to be appraised. An estate sale may need to be held to dispose of household goods and personal effects.
Keep careful records of final medical and funeral expenses, and file medical claims promptly. Keep a ledger of bills and income received. Contact an accountant and attorney to prepare final income and estate tax returns, if required. Verify and pay all bills and taxes. Make a final accounting of assets and bills paid, and give it to the beneficiaries.
If the assets are to be fully distributed, you will divide the cash and transfer titles according to the instructions in the trust. That's it...you're finished and the trust is dissolved.
If the assets are to stay in a trust (for minors, for a surviving spouse, for tax purposes or if the beneficiaries will receive their inheritances in installments), each trust will need a new tax identification number, and proper bookkeeping and reporting procedures will need to be established.

12. Should I be paid for all this work?

Yes, trustees are entitled to reasonable compensation for their services. The trust document should give guidelines.

13. What if the responsibilities are too much for me?

Consider hiring an attorney, bookkeeper, accountant or corporate trustee to help you. (A corporate trustee can manage the investments and do the recordkeeping.) If you feel you cannot handle any of the responsibilities due to work, family demands or any other reason, you can resign and let the next successor trustee step in. If no other successor trustee has been named, or none is willing or able to serve, a corporate trustee can usually be named.

14. What Does The Trustee Do At Incapacity?

- Oversees care of ill person
- Understands insurance benefits and limitations
- Looks after care of any minors and dependents
- Applies for disability benefits
- Puts together team of advisors
- Notifies bank and others
- Transacts necessary business
- Keeps accurate records and accounting

15. What Does The Trustee Do At Death?

- Contacts attorney to review trust and process
- Keeps beneficiaries informed
- Puts together team of advisors
- Inventories assets, determines current values
- Makes partial distributions if needed
- Collects benefits, keeps records, files tax returns
- Pays bills, does final accounting
- Distributes assets to beneficiaries as trust directs

Glossary of Terms

A Trust	The surviving spouse's portion of an A-B trust. Also called marital trust or survivor's trust.
A-B Trust	A trust that includes a tax-planning provision that lets you provide for your surviving spouse and keep control over who will receive your assets after your spouse dies. It also lets both spouses use their federal estate tax exemptions. This can save a substantial amount in estate taxes and leave more money for your beneficiaries.
Administration	The court-supervised distribution of an estate during probate. Also used to describe the same process for a trust after the grantor dies.

Administrator	Person named by the court to represent a probate estate when there is no will or the will did not name an executor. Female is administratrix. Also called personal representative.
Alternate Beneficiary	Person or organization named to receive your assets if the primary beneficiaries named in your Trust die before you do.
Ancillary Administration	An additional probate in another state. Typically required when you own real estate in another state that is not titled in the name of your trust. Ancillary administration fees are *in addition* to fees paid in the deceased's "home" state.
Annual Exclusion Gift	Amount you can give someone each year without having to file a gift tax return or pay a gift tax. Currently $14,000 per recipient ($28,000 if married). The amount of tax-free gifts is tied to inflation and may increase from time to time.
Assets	Basically, anything you own, including your home and other real estate, bank accounts, life insurance, investments, furniture, jewelry, art, clothing, and collectibles.
Assignment	A short document that transfers your interest in assets from your name to another. Often used when transferring assets to a trust.
B Trust	The deceased spouse's portion of an A-B trust. Also called credit shelter or bypass trust.
Basis	Generally, what you paid for an asset. The value that is used to determine gain or loss for income tax purposes.
Beneficiaries	In a living trust, the persons and/or organizations who receive the trust assets (or benefit from the trust assets) after the death of the trust grantor.

By-Pass Trust	Another name for the "B" part of an A-B living trust because the assets in this trust bypass federal estate taxes.
C Trust	See "QTIP."
Certificate of Trust	A shortened version of a trust that verifies the trust's existence, explains the powers given to the trustee, and identifies the successor trustee(s). Does not reveal any information about the trust assets, beneficiaries, or their inheritances.
Children's Trust	A trust included in your living trust. If, when you die, a beneficiary is not of legal age, the child's inheritance will go into this trust. The inheritance will be managed by the trustee you have named until the child reaches the age at which you want him/her to inherit.
Codicil	A written change or amendment to a Will.
Co-Grantors	Two or more persons who establish one living trust together.
Co-Trustees	Two or more individuals who have been named to act together in managing a trust's assets. A corporate trustee can also be a co-trustee.
Common Trust	One living trust established by two or more individuals (usually a married couple).
Community Property	Assets a husband and wife acquire by joint effort during marriage if they live in one of the eight community property states. (Wisconsin also has a similar law, but does not use the term "community property.") Each spouse owns half of the assets in the event of divorce or death.
Conservator	One who is legally responsible for the care and well-being of another person. If appointed by a court, the conservator is under the court's supervision. May also be called a guardian. (Duties and titles can vary by state. For

	example, in Missouri, there is a guardian of the person and a conservator of the estate.)
Conservatorship	A court-controlled program for persons who are unable to manage their own affairs due to mental or physical incapacity. May also be called a guardianship.
Contest	To dispute or challenge the terms of a will or trust.
Corporate Trustee	An institution, generally a bank or trust company that specializes in managing trusts.
Credit Shelter Trust	Another name for the B Trust in an A-B living trust because this trust "shelters" or preserves the federal estate tax "credit" (really the exemption) of the deceased spouse.
Creditor	Person or institution to whom money is owed.
Custodian	Person named to manage assets left to a minor under the Uniform Transfer to Minors Act. In most states, the minor receives the assets at legal age.
Deceased	One who has died. Sometimes also referred to as decedent.
Deed	A document that lets you transfer title of your real estate to another person(s). Also see warranty deed and quitclaim deed.
Disclaim	To refuse to accept a gift or inheritance so it can go to the recipient who is next in line.
Discretion	The full or partial power to make a decision or judgment.
Disinherit	To prevent someone from inheriting from you.
Distribution	Payment in cash or asset(s) to one who is entitled to receive it.
Durable Power of	A legal document that gives another person full or limited

Attorney for Asset Management	legal authority to sign your name on your behalf in your absence. Valid through incapacity. The legal authority granted through this document ceases at death.
Durable Power of Attorney for Health Care	A legal document that lets you give someone else the authority to make healthcare decisions for you in the event you are unable to make them for yourself. Also called a health care proxy or medical power of attorney.
Equity	The current market value of an asset less any loan or liability.
Estate	Assets and debts left by an individual at death.
Estate Taxes	Federal or state taxes on the value of assets left at death. Also called inheritance taxes or death taxes.
Executor	Person or institution named in a will to carry out its instructions. Female is executrix. Also called a personal representative.
Federal Estate Tax Exemption	Amount of an individual's estate that is exempt from federal estate taxes. Currently the federal estate exemption is $5.45 million (for deaths occurring in 2016, this amount adjusts annually for inflation). Every dollar over the exempt amount is taxed at 40%.
Fiduciary	Person having the legal duty to act primarily for another's benefit. Implies great confidence and trust, and a high degree of good faith. Usually associated with a trustee.
Funding	The process of transferring assets to your living trust.
Gain	The difference between what you receive for an asset when it is sold and what you paid for it. Used to determine the amount of capital gains tax due.
Generation Skipping Transfer Tax (GSTT)	A steep tax on assets that "skip" a generation and are left directly to grandchildren and younger generations. This tax is in addition to the federal estate tax. The GST

	exemption is equal to the federal estate tax exemption (currently $5.45 million, adjusted for inflation). The GST tax rate on assets over the exempt amount is 40%.
Gift	A transfer from one individual to another without fair compensation.
Gift Tax	A federal tax on gifts made while you are living. Currently the first $14,000 per person per year is exempt from gift tax. Also see "Annual Exclusion Gift."
Grantor	The person who sets up or creates the trust. The person whose trust it is. Also called creator, settlor, trustor, donor or trustmaker.
Gross Estate	The value of an estate before debts are paid.
Guardianship	See "Conservatorship."
Health Care Proxy	See "Durable Power of Attorney for Health Care."
Heir	One who is entitled by law to receive part of your estate.
Holographic Will	A handwritten will. This type of will is not valid in all states.
Homestead Exemption	Portion of your residence (dwelling and surrounding land) that cannot be sold to satisfy a creditor's claim while you are living.
Incapacitated/ Incompetent	Unable to manage one's own affairs, either temporarily or permanently. Lack of legal power.
Independent Administration	A form of probate available in many (but not all) states. Intended to simplify the probate process by requiring fewer court appearances and less court supervision.
Inheritance	The assets received from someone who has died.
Inter vivos	Latin term that means "between the living." An inter

	vivos trust is created while you are living instead of after you die. A revocable living trust is an inter vivos trust.
Irrevocable Trust	A trust that cannot be changed (revoked) or cancelled once it is set up. Opposite of revocable trust.
Intestate	Without a will.
Joint Ownership	A form of ownership in which two or more persons own the same asset together. Types of joint ownership include joint tenants with right of survivorship, tenants in common, and tenants by the entirety.
Joint Tenants with Right of Survivorship	A form of joint ownership in which the deceased owner's share automatically and immediately transfers to the surviving joint tenant(s).
Land Trust	Often used for privacy. Title is transferred to a corporate trustee or corporation, but you keep control over how the property is managed. Because the title is in the name of the corporate trustee or corporation, no one knows the property belongs to you. In all financial transactions and dealings, your personal name never comes up. Also called a title holding trust.
Liquid Assets	Cash and other assets (like stocks) that can easily be converted into cash.
"Living Probate"	The court-supervised process of managing the assets of one who is incapacitated. This is another name for guardianship or conservatorship.
Living Trust	A written legal document that creates an entity to which you transfer ownership of your assets. Contains your instructions for managing your assets during your lifetime and for their distribution upon your incapacity or death. Avoids probate at death and court control of assets at incapacity. Also called a revocable inter vivos trust. A trust created during one's lifetime.

Living Will	A written document that states you do not wish to be kept alive by artificial means when the illness or injury is terminal.
Marital Deduction	A deduction on the federal estate tax return that lets the first spouse to die leave an unlimited amount of assets to the surviving spouse free of estate taxes. However, if no other tax planning is used, and the surviving spouse's estate is more than the amount of the federal estate tax exemption in effect at the time of his/her death, estate taxes will be due at the death of the surviving spouse.
Marital Trust	See "A Trust."
Medicaid	A federally-funded health care program for the poor and minor children.
Medicare	A federally-funded health care program, primarily for Americans over age 65 who are covered by Social Security or Railroad Retirement benefits.
Minor	One who is under the legal age for an adult, which varies by state (usually age 18 or 21).
Net Estate	The value of an estate after all debts and administration expenses have been paid. (Federal estate taxes are based on the net value of an estate.)
Net Value	The current market value of an asset less any loan or debt.
Payable-on-Death Account	See "Totten Trust."
Per Capita	A way of distributing your estate so that your surviving descendents will share equally, regardless of their generation.
Per Stirpes	A way of distributing your estate so that your surviving descendents will receive only what their immediate

	ancestor would have received if he/she had been living at your death.
Personal Property	Movable property. Includes furniture, automobiles, equipment, cash and stocks. Opposite of real property that is permanent (like land).
Personal Representative	Another name for an executor or administrator.
Pour Over Will	A short will often used with a living trust. It states that any assets left out of your living trust will become part of (*pour over* into) your living trust upon your death.
Power of Attorney	A legal document giving someone legal authority to sign your name on your behalf in your absence. Ends at incapacity (unless it is a *durable* power of attorney) or death.
Probate	The legal process of validating a will, paying debts, and distributing assets after death.
Probate Estate	The assets that go through probate after you die. Usually these include assets you own in your name and those paid to your estate. Usually does not include assets owned jointly, payable-on-death accounts, insurance and other assets with beneficiary designations. Assets in a trust also do not go through probate.
Probate Fees	Legal, executor, and appraisal fees and court costs when an estate goes through probate. Probate fees are paid from assets in the estate before the assets are fully distributed to the heirs.
Qualified Domestic Trust (QDOT)	Allows a non-citizen spouse to qualify for the marital deduction.
Qualified Terminable	A trust that delays estate taxes until your surviving spouse dies so more income will be available to provide

Interest Property (QTIP)	for your spouse during his/her lifetime. You can also keep control over who will receive these assets after your spouse dies.
Qualifying Subchapter S Trust (QSST)	Trust that meets certain IRS qualifications and is allowed to own Subchapter S stock.
Quitclaim Deed	Document that allows you to transfer title to real estate. With a quitclaim deed, the person transferring the title makes no guarantees, but transfers all his/her interest in the property.
Real Property	Land and property that is permanently attached to land (like a building or a house).
Recorded Deed	A deed that has been filed with the county land records. This creates a public record of all changes in ownership of property in the state.
Revocable Trust	A trust in which the person setting it up retains the power to change (revoke) or cancel the trust during his/her lifetime. Opposite of irrevocable trust.
Required Beginning Date (RBD)	The date you must begin taking required minimum distributions from your tax-deferred plans. Usually, it is April 1 of the calendar year following the calendar year in which you turn age 70 1/2. If your money is in a company-sponsored plan, you may be able to delay your RBD beyond this date if you continue working (providing you are not a 5% or greater owner of the company).
Required Minimum Distribution (RMD)	The amount you are required to withdraw each year from your tax-deferred plan after you reach your Required Beginning Date. This amount is determined by dividing the year-end value of your tax-deferred account by a life expectancy divisor found on a chart provided by the IRS.

Separate Property	Generally, all assets you acquire prior to marriage and assets acquired by gift or inheritance during marriage.
Separate Trust	A trust established by one person. A married couple has separate trusts if each spouse has his/her own trust with its own assets. In contrast, see "Common Trust."
Settle an Estate	The process of handling the final affairs (valuation of assets, payment of debts and taxes, distribution of assets to Beneficiaries) after someone dies.
Settlor	See "Grantor."
Special Gifts	A separate listing of special assets that will go to specific individuals or organizations after your incapacity or death. Also called special bequests.
Special Needs Trust	Allows you to provide for a disabled loved one without interfering with government benefits.
Spendthrift Clause	Protects assets in a trust from a beneficiary's creditors.
Spouse	Husband or wife.
Stepped-up Basis	Assets are given a new basis when transferred by inheritance (through a will or trust) and are re-valued as of the date of the owner's death. If an asset has appreciated above its basis (what the owner paid for it), the new basis is called a stepped-up basis. A stepped-up basis can save a considerable amount in capital gains tax when an asset is later sold by the new owner. Also see "Basis."
Subchapter S Corporation Stock	Stock in a corporation which has chosen to be subject to the rules of subchapter S of the Internal Revenue Code.
Surviving Spouse	The spouse who is living after one spouse has died.
Survivor's Trust	See "A Trust."

Successor Trustee	Person or institution named in the trust document who will take over should the first trustee die, resign, or otherwise become unable to act.
Tax-Deferred Plan	A retirement savings plan (like an IRA, 401(k), pension, profit sharing, or Keogh) that qualifies for special income tax treatment. The contributions made to the plan and subsequent appreciation of the assets are not taxed until they are withdrawn at a later time -- ideally, at retirement, when your income and tax rate are lower.
Taxable Gift	Generally, a gift of more than $14,000 in one year to someone other than your spouse. The value of the taxable gift is applied to your federal gift/estate tax exemption, which is currently $5.45 million (for 2016 - this amount adjusts annually for inflation). After you have used up your exemption, additional gifts will be taxed at 40%.
Tenants-in-Common	A form of joint ownership in which two or more persons own the same property. At the death of a tenant-in-common, his/her share transfers to his/her heirs.
Tenants-by-the Entirety	A form of joint ownership in some states between husband and wife. When one spouse dies, his/her share of the asset automatically transfers to the surviving spouse.
Testamentary Trust	A trust in a will. Can only go into effect at death. Does not avoid probate.
Testate	One who dies with a valid will.
Title	Document proving ownership of an asset.
Transfer Tax	Tax on assets when they are transferred to another. The estate tax, gift tax and generation skipping transfer tax are all transfer taxes.
Trust	An entity that holds assets for the benefit of certain other persons or entities.

Trust Company	An institution that specializes in managing trusts. Also called a corporate trustee.
Trustee	Person or institution who manages and distributes another's assets according to the instructions in the trust document.
Trustor	See "Grantor."
Totten Trust	A "pay-on-death" account. A bank account that will transfer to the beneficiary who was named when the account was established. The terms "transfer on death" ("TOD"), "in trust for" ("ITF"), "as trustee for" ("ATF"), and "pay on death" ("POD") often appear in the title.
Unified Credit	The amount each person is allowed to deduct from federal estate taxes that are owed after death. When applied, the result is that $5.45 million in assets are "exempt" from estate taxes. (This is the amount available in 2016 as adjusted for inflation.)
Uniform Transfer to Minors Act (UTMA)	Law enacted in many states that lets you leave assets to a minor by appointing a custodian. In most states, the minor receives the assets at legal age.
Unfunded	Your living trust is unfunded if you have not transferred assets into it.
Warranty Deed	Document that allows you to transfer title to real estate. With a warranty deed, the person guarantees that the title being transferred is clear (free of any encumbrances). If the title is defective, the person making the transfer is liable. Compare to quitclaim deed.
Will	A written document with instructions for disposing of assets after death. A will can only be enforced through the probate court.