

Find the trust that suits your needs

PEOPLE often ask about the difference between a revocable trust and an irrevocable trust, and which type they should have.

That's like asking, "Which machine should I use: a combine or a forage chopper?" The answer depends, of course, on what you are trying to do.



Estate-Plan Edge
By CURT FERGUSON

Most of us have signed various contracts; they can help us understand trusts. A trust is a relationship created

by a contract between two or more parties concerning use and control of property ("property" being anything of monetary value). Their agreement will be specific for the intended purpose.

Someone (trust maker) proposes terms, and another party (trustee) agrees to those terms. Their agreement

then governs how and for whose benefit the specified property will be managed.

An individual retirement account, or IRA, is a type of trust you create with a financial institution. They hold your investment in trust. You might give a trust deed to a bank to secure a loan. That is an irrevocable agreement concerning the real estate. The bank won't release it until you pay the note.

If you open an account for your grandchild and appoint your child as custodian, you created a trust. You cannot take the money back; it is an irrevocable trust. The custodian (trustee) is bound by law to protect that money for the exclusive benefit of the grandchild.

Establishing trust

In estate planning, a trust is usually used as a way to transfer property with some kind of time delay or other conditions. The trust agreement spells out how and when property you own will be given to your beneficiaries, such as your spouse or children.

The typical estate planning trust might say the property will be used for someone now, then someone else later. For instance, you transfer property to a trustee (which might even be you, as trustee of your own trust) to use for yourself for the rest of your life. After your death, the trustee (not you, but someone you named when you created the trust) then gives the remaining property to beneficiaries you designated in the agreement.

Irrevocable or revocable?

If you state the above terms in an irrevocable trust, you will not be permitted to serve as trustee, and your ability to change the trust will be severely limited or nonexistent. However, in an irrevocable trust, you might give someone else the power to make changes.

Since control of the property shifts, an irrevocable trust generally has some direct tax impact — some good, some bad — on you or your beneficiaries when the trust is created.

If you use a revocable trust agreement, you are reserving the right to make any changes at any time during the rest of your life. It is an interesting sort of contract, since you aren't really bound to follow it as originally written.

A revocable trust is more like writing a will; so long as you are mentally capable, you can change it. The main difference between using a will and using a trust is the process of carrying it out when you die. Carrying out a will at death involves probate laws and procedures. Carrying out the trust terms is a matter of contract law, normally completed without court action.

A revocable trust will have no immediate tax impact on you or your beneficiaries, since you still control the property. However, your directions for how property will be distributed upon death can have dramatic tax advantages or disadvantages for your beneficiaries.

Ferguson is an attorney from Salem who helps families accomplish estate-planning goals.

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Dion McBay, Soybean Traits Marketing Lead for Monsanto, said these positive yield advantages are in line with the Roundup Ready 2 Yield field trial results from the past four years. "Four years of Monsanto research trials comparing near isogenic lines have demonstrated a consistent yield advantage of 7 percent to 11 percent for Roundup Ready 2 Yield technology compared with Roundup Ready® soybeans," explained McBay.

McBay added that this increase in yield is a result of extensive gene mapping that allowed Monsanto to identify specific DNA regions in soybeans that have a positive impact on yield. Using advanced insertion and selection technologies, the Roundup Ready 2 Yield gene is situated in one of these DNA regions that provide higher yield potential.

"In areas that typically average 50 bushels per acres yield, 7 percent to 11 percent yield advantage translates to 3.5 to 5.5 more bushels per acre," McBay noted.

"This translates into a huge economic benefit for farmers, and, because of that, we expect a very strong demand for Roundup Ready 2 Yield soybeans for 2009."

Roundup Ready 2 Yield soybeans are right on track for a controlled commercial release on up to 2 million acres in 2009, which will be followed by a full-scale launch planned for 2010.

Initially, this breakthrough technology will be available primarily in maturity groups 2 and 3, where more than 50 percent of U.S. soybeans are grown. This includes all of Iowa, Nebraska, Ohio and Pennsylvania; most of

Illinois and Indiana; portions of northern Missouri, Kansas and Maryland; and portions of southern Minnesota, Wisconsin, Michigan and South Dakota.

Roundup Ready 2 Yield varieties for 2009 will feature a strong class of genetics from Asgrow®, as well as leading regional soybean brands. Farmers are encouraged to visit with their local dealers and seed companies regarding the Roundup Ready 2 Yield soybean products best suited for their farms.

"We are excited that more farmers will have the opportunity to plant Roundup Ready 2 Yield soybeans in 2009," said McBay.

"They will continue to enjoy all the flexibility, dependability and crop safety that they have today in Roundup Ready soybeans, but now with even higher yield potential."

Individual results may vary, and performance may vary from location to location and from year to year. This result may not be an indicator of results you may obtain as local growing, soil and weather conditions may vary. Growers should evaluate data from multiple locations and years whenever possible.

ALWAYS READ AND FOLLOW PESTICIDE LABEL DIRECTIONS. Roundup Ready® crops contain genes that confer tolerance to glyphosate, the active ingredient in Roundup® agricultural herbicides. Roundup® agricultural herbicides will kill crops that are not tolerant to glyphosate. When Roundup Ready 2 Yield soybeans are made available for commercial release and use, they will be subject to Monsanto Company's comprehensive stewardship plans consistent with its Stewardship Policy for Commercialization of Biotechnology-Derived Plant Products in Commodity Crops. Roundup Ready 2 Yield™ soybean seed and any product of a Roundup Ready 2 Yield™ soybean seed or crop can only be exported to, or used, processed or sold in countries where all necessary regulatory approvals have been granted. It is a violation of national and international law to move material containing biotech traits across boundaries into nations where import is not permitted.

Roundup Ready® crops contain genes that confer tolerance to glyphosate, the active ingredient in Roundup® agricultural herbicides. Roundup® agricultural herbicides will kill crops that are not glyphosate tolerant. Asgrow®, Roundup®, Roundup Ready® and Roundup Ready 2 Yield™ are trademarks of Monsanto Technology LLC. ©2008 Monsanto Company. [34166-8 jct 11/08 RR2Y advert ILPFMR]

