

	<b>Joint Revocable Trust</b>	<b>Two Separate Trusts</b>
<b><i>Asset Protection</i></b>	Less likely to protect against the creditors of the other spouse.	Ownership of assets is clearly separated, even in jointly owned property, providing more robust protection.
<b><i>Managing the Trust</i></b>	Must clearly keep track of which spouse owns what asset and not combine, otherwise will potentially expose assets to additional creditors, income tax, gift tax, and estate tax. Much more work for the Trustees, who are usually the spouses.	Can manage assets as you wish without worrying about co-mingling. Assets may still be jointly owned, just jointly owned by the Trusts.
<b><i>Capital Gains Tax</i></b>	More difficult to get the full "basis step-up" at the death of a spouse; usually will only get half.	Easier to get a "basis step-up" at death, reducing capital gains taxes on a later sale.
<b><i>Gift Tax</i></b>	If not careful, funding the Joint Trust can trigger a gift to the other spouse.	No gift made upon funding.
<b><i>Inheritance</i></b>	Risk of a separate inheritance being blended together with other, co-owned property in the Trust.	Better able to receive one spouse's expected inheritance and keep it separate from the other's property.
<b><i>Children</i></b>	More difficult to protect property intended for your children in the event a spouse remarries or there are children from a previous marriage.	Since only one spouse controls their separate Trust or can change it, they can be sure after their death that the property will eventually be passed onto the children.
<b><i>Estate Taxes</i></b>	If not carefully monitored by the spouses, property intended to pass free of estate taxes could be exposed to death taxes at the second spouse's death.	Property sheltered from death taxes in the Trust at the first spouse's death will not be exposed to estate taxes at the second spouse's death.

Though the ultimate estate plan for a couple depends on their circumstances, Trust Law Counsel usually recommends two separate Revocable Living Trusts when the couple resides in Iowa, South Dakota, or Nebraska.



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