



When Should I Fund My Trust?

What Does It Mean to "Fund" a Trust?

Funding a trust means transferring ownership of certain assets from your individual name into the name of your trust or updating beneficiary designations where appropriate.

Depending on your estate plan, this may include:

- Your primary residence or other real estate.
- Non-retirement investment accounts.
- Certain bank accounts.
- Business interests.
- Personal property, where appropriate.
- Other assets recommended by your attorney.

Not every asset belongs in a trust. For example, retirement accounts and certain life insurance policies often have beneficiary designations that require a different planning strategy. That's why it's important to review your assets with your estate planning attorney before making any transfers.

One of the biggest misconceptions about estate planning is that once a trust has been signed, the work is complete. In reality, creating your trust is only the first step. To receive the full benefits of your estate plan, your trust must also be properly funded.

At Grissom-Plummer Law, we often explain to clients that a trust without assets is much like an empty safe—it exists, but it cannot protect what has never been placed inside.

The best time to fund your trust is as soon as possible after your trust documents have been completed.

Waiting months—or even years—can create unnecessary complications. If assets remain in your individual name when you pass away, they may still have to go through probate, even though you have a trust.

Prompt funding helps ensure your estate plan works the way it was designed.

Why Funding Your Trust Matters

Proper trust funding helps:

Avoid Probate

One of the primary reasons many families establish a revocable living trust is to reduce or avoid probate. Assets titled in the name of the trust generally pass according to the trust's instructions rather than through the probate process.

Simplify Asset Management

If you become incapacitated, your successor trustee may be able to manage trust assets without the delays that sometimes accompany court proceedings.

Keep Your Estate Plan Organized

Funding your trust creates consistency between your legal documents and your asset ownership, helping your family avoid confusion during difficult times.

Protect Your Wishes

Your trust only controls assets that are actually owned by the trust. If an asset is never transferred, it may not be distributed according to your trust instructions.

Don't Forget About New Assets

Funding your trust isn't a one-time task.

As your life changes, you may acquire:

- A new home.
- Additional investment accounts.
- Rental property.
- Business interests.
- Valuable personal property.

Whenever you acquire significant new assets, it's a good idea to ask whether they should also become part of your trust.

Review Your Estate Plan Regularly

Life events often mean your trust funding should also be reviewed.

Consider reviewing your plan after:

- Buying or selling real estate.
- Marriage or divorce.
- Birth or adoption of a child.
- Receiving an inheritance.
- Starting or selling a business.
- Retirement.
- Significant changes in your financial situation.

Regular reviews help ensure your trust continues to accomplish your goals.

How Grissom-Plummer Law Helps

At Grissom-Plummer Law, we don't stop after preparing your trust documents. We guide clients through the trust funding process by helping identify which assets should be transferred and providing the documents needed for many common transfers.

Our goal is to help ensure your estate plan works as intended—not just on paper, but in practice.



Bottom Line

Creating a trust is an important step, but funding it is what brings your estate plan to life. By transferring the appropriate assets into your trust and reviewing your plan as your life changes, you can help protect your loved ones, reduce unnecessary probate, and provide clear instructions for the future.

Need Help Funding Your Trust?

If you've recently established a trust—or you're unsure whether your trust has been fully funded—the Grissom-Plummer Law team is here to help. We'll review your estate plan, answer your questions, and help ensure your assets are aligned with your wishes.

