

The Importance of Considering a Trust



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According to court documents obtained by *The Blast*, recently deceased star Burt Reynolds intentionally left his 30-year-old son, Quinton, out of his will and named his niece, Nancy Lee Brown Hess, executor of his estate.

Though it may be our first instinct to jump to conclusions about the nature of Reynolds' approximately \$5 million estate and his relationship with the adopted son he shares with ex-wife Lonnie Anderson, that sort of family drama doesn't appear to be the case here. The relevant portion of his will, signed in 2011 and filed in Florida court, reads: "I intentionally omit him from this, my Last Will and Testament, as I have provided for him during my lifetime in my Declaration of Trust."

Why is this important, and why should you consider a trust? Mr. Reynolds' trust perfectly illustrates one of the main advantages of employing the technique—privacy.

Wills have to be probated publicly, which is how news of Quentin's disinheritance got out so quickly. On the other hand, the terms of a trust—what it holds, who it benefits, etc.—can be kept confidential from all but a select few. In fact, the existence of a trust, as well as Mr. Reynolds' own words, imply that Quentin's omission is not a disinheritance at all, because he has been provided for privately through a trust.

Trusts can also offer estate tax advantages. If a trust is structured correctly, it removes assets from the decedent's estate. Reynolds' net worth prior to his death was estimated at only around \$5 million. That amount falls well within the currently over \$11 million federal estate tax exemption. And Florida doesn't levy state estate tax, so it's unlikely that this was the star's motivation. There are other reasons for considering a trust.

Protection from creditors may be a factor. Reynolds' money troubles over the latter portion of his life were well documented, and it wouldn't be surprising to learn that he left behind a significant amount of debt. A properly constructed trust could shield his assets to help ensure they go to loved ones instead of debt collectors, whereas during the probate of a will, creditors stand at the head of the line.

Ultimately, the secrecy of the trust prevents us from knowing exactly how much is in there and who's going to end up with it, so we're unlikely to get answers to these questions. And that is the whole point.

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0014650XX 09/2018



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