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ADMINISTERING YOUR REVOCABLE TRUST

Now that you funded your Revocable Trust, the Trustee (even if you are the Trustee of your Revocable Trust) must administer the Trust in accordance with its terms. The Trustee must also comply with the Florida Trust Code (“Trust Code”) and Federal tax laws (“Tax Code”).

The Trust Code, as long as not permissibly altered by the terms of the Trust, instructs the Trustee as to the proper administration of the Trust. For example, the Trust Code provides rules regarding: i) prudent investment of trust assets; ii) allocation or charge of items to trust income or principal; iii) accounting for trust income and principal; iv) provision of statements to Qualified Beneficiaries; and v) liability of the Trustee to beneficiaries for breach of fiduciary duty. As the Trust Code’s primary function is the protection of the beneficiaries’ interests, many of the Trust Code’s requirements are not applicable to your Revocable Trust until you no longer serve as a Trustee or until your death because you are the primary beneficiary with the power (as the Settlor) to amend or revoke the Trust in its entirety.

The Tax Code includes many taxes applicable to the administration of your Revocable Trust; including, but not limited to, income, gift, estate and generation skipping transfer tax. During your lifetime, the Federal income tax laws are most relevant. Generally, Federal income tax returns for your Revocable Trust are not required. If you are the Trustee or a co-Trustee of your Revocable Trust, a federal tax identification number for the trust is not necessary; all income is reported using your social security number (which becomes the Trust’s taxpayer identification number). After your death, a federal tax identification number must be obtained for the Trust.

Once an asset has been transferred to the Trustee of your Revocable Trust, all transactions regarding that property must be handled by the Trustee, rather than by you individually (even if you are the Trustee of the Revocable Trust). For example, after corporate stock has been transferred to the Trustee, it is the Trustee who has the power to sell, mortgage, or assign those shares of stock or to vote them at a shareholders’ meeting. Any document evidencing the transfer of assets from the Trust must be signed by the Trustee. Withdrawals of property from the Trust must also comply with the terms of the Trust. We can prepare documents for you to accomplish any such transfer or withdrawal.

Under the terms of your Revocable Trust, you, as Settlor, reserved the right to amend or revoke the Trust at any time during your lifetime provided you are not incapacitated. Any amendment or revocation must be made in accordance with the procedure set forth in the Trust. We can prepare documents for you to accomplish such amendment or revocation.

Please call us if you have any questions about the administration of your Trust. This

memorandum is for your guidance only and does not encompass all possible situations.