

## Make Your Own Living Trust Info: Revocable or Irrevocable?

Nobody likes to think about what happens when they die or become incapacitated. But at some point, it's important to make sure assets acquired during a lifetime are protected and passed on.

If you do decide to [make your own living trust](#), one of the biggest questions you face is do you go revocable or irrevocable?

Here's breakdown of what a revocable living trust is and the pros and cons of that particular form of trust.

### **Make Your Own Living Trust Tip No.1: What is a Revocable Trust?**

There are two basic kinds of living trusts: revocable and irrevocable. A revocable trust is simply one where the person who creates the trust—commonly known as the trustor or grantor—can change or revoke any part of the trust during their lifetime.

You still set up the trust with a trustee, usually a family member, and that trustee still has the power to legally manage the assets of the estate during the trustor's lifetime, as well as manage the affairs of the trustee in the case of incapacitation.

The distinction here is that the trustee cannot use the assets for any personal use without written permission to do so from the trust like they can in an [irrevocable living trust](#).

### **Make Your Own Living Trust Tip No.2: Revocable Trust Pros**



For most people, the advantage of a living trust over a will, is the ability to clearly spell out how you want your assets managed by the trustee. This is far better—and less complicated—than simply ceding assets over.

Another key advantage of a revocable living trust is the ability of the trustee to handle the trustor's affairs if they become sick or disabled.

Best of all, if you do decide to [make your own living trust](#), a revocable trust has far less paperwork and is less complicated to complete. (Less paperwork is always good.) And there's even less paperwork if you use [living trust software](#).

### **Make Your Own Living Trust Tip No.3: Revocable Trust**

#### **Cons**

Because it is revocable, and can be dissolved or changed at anytime, the IRS sees this form of trust as fluid—much different than an [irrevocable living trust](#). This means any income derived from the trust can be taxes, and payable by the trustee.

In addition, a revocable trust will not save you on probate fees. Flexibility, it seems, comes at a cost.

There are a ton of great resources to help you [make your own living trust](#). (Many books have all the [living trust forms](#) you would ever need, regardless of state.) Gathering all the information you can will help you avoid sky-high lawyer bills, and protect your estate from needless taxes and fees.