

Agency: a formal relationship where a person (the agent) acts on behalf of another person, company, or entity.

Beneficiary: a person or entity who is named in either a trust or will to receive assets from the grantor of the document.

Co-trustee: when more than one trustee is appointed by the grantor to carry out the administration of the trust. Co-trustees must work in conjunction with one another, and may or may not have a separation of duties, depending on the language of the trust document.

Estate: the cumulation of all of one's assets, land and real estate, and all personal property. It is a method of evaluating one's net worth, less any liabilities.

Estate settlement: the process a personal representative (executor) undergoes to settle a decedent's estate. Includes paying debts, taxes, resolving disputes, and distributing assets to the appropriate beneficiaries, after all liabilities and any disputes have been settled.

Fiduciary: a person or entity that acts on behalf of another individual or family, always putting the interests of the grantor and beneficiaries first and foremost. There are both legal and ethical implications to act in the client's best interests as a fiduciary.

Grantor: the person or entity that creates the trust (transfers ownership of assets in trust). Also referred to as settlor or trustor.

ILIT: an Irrevocable Life Insurance Trust holds one or more life insurance policies within the trust. The death benefit of the life insurance is owned by the trust, making the proceeds from the payout exempt from the insured's estate taxation.

Irrevocable trust: type of trust where the terms cannot be changed or modified without the permission of the named beneficiary or beneficiaries.

Living will: a legal document prescribing the actions an individual desires in regard to medical and life-saving treatment in the event of a condition is preventing the individual from being able to communicate such wishes.

Personal representative (executor): the individual or entity appointed to administer the estate of a deceased person.

Power of attorney: a legal document giving the appointed agent authority to act on behalf of another person (the principal), in regards to decisions such as finances, health care, property, and more.

Probate: the legal process for the validation and subsequent administration of a deceased person's will or estate. Includes collecting assets, settling liabilities with creditors, and distributing any remaining assets of the estate to beneficiaries.

Revocable trust: type of trust where the terms are eligible to be changed or modified by the grantor after establishment. Only after the passing of the grantor does the assets of the trust transfer to the named beneficiary. In many cases, it helps beneficiaries to avoid probate court.

Self-Directed IRA: an investment account that can hold a variety of non-traditional assets normally found in a retirement account. Account is administered by a trustee or custodian, but completely directed by the account holder.

Successor trustee: the replacement trustee once the grantor or previously appointed trustee is no longer able to carry out such duties- due to passing away, incapacitation, etc.

Trust: a legal document established by the owner (grantor) of assets or property, giving a third party the right to hold and administer assets/ property for the beneficiaries the grantor names in the document. A trust offers legal protection of the assets, ensuring the grantor's wishes are carried out, can save time and effort, and reduce or avoid estate taxes in certain circumstances.

Trust protector (advisor): a named individual by the grantor who has a supervisory role over the trustee. Can direct and restrain the trustee in regards to the administration of the trust.

Trustee: a person or firm that holds, manages, and administers assets and/or property for the benefit of a third party. A corporate trustee has fiduciary obligations they must follow, as opposed to an individual or family trustee who does not necessarily adhere to trust code, rules, or regulation.

Will: a legal document prescribing one's wishes in regards to their property and after-life matters. A will becomes active only after one's passing.