

Tips for Estate Planning: 3 Ways to Avoid Probate

For many of us, the legacy we leave to future generations matters a great deal, so it's important that your estate plans ensure your surviving loved ones get the most out of their inheritance. One of the best ways to do that is to avoid the time and costs involved in probate court. Probate is the traditional legal proceedings that occur after a person dies. Not only is probate court expensive, but it can tie up a person's property and assets for months or even over a year.

It's wise to limit the amount of property that goes through probate – or avoid probate altogether – when you're considering your estate plans. Consider the following options to protect your property and its future owners from probate's costs and stressors:

1. **A Revocable Living Trust** – When you put your property into a living trust, it avoids probate because it technically no longer belongs to you – it belongs to the trustee. After your death, the trustee that you chose can easily transfer the trust property to the family and friends you left it to, without having to go through probate.

When you set up a living trust, you will clearly state the trustee who will be in control of the property and who should receive it once you die. A revocable living trust is convenient if you think you may want to change beneficiaries later on. Otherwise, with an irrevocable trust, the beneficiaries you choose at the trusts creation cannot be changed.

2. **Pay-On-Death Accounts** – You can also avoid probate by converting your bank accounts and retirement accounts into pay-on-death or transfer-on-death accounts. This allows you to name a beneficiary to receive the funds in the account. After your death, these accounts will automatically transfer to your beneficiary without needing to go through probate. Some states also allow you to convert vehicle registrations and real estate deeds to payable-on-death registrations.
3. **Gifts** – If you would rather pass down your property to your loved ones while you're alive, you can simply gift it to them. Since gifted items no longer belong to you, probate is no longer a concern. Plus, most gifts are not subject to the federal gift tax, as long as they fall within certain standards. Consider some of the ways you can give significant gifts to your loved ones:

- **Direct Gifts** – You can give up to \$14,000 per recipient, per year, to as many people as you like without having to pay a gift tax.
- **Medical or Tuition Expenses** – Pay directly for someone's medical bills or college tuition.
- **College Savings** – If you have young grandchildren or great-grandchildren, put money into a Section 529 savings plan for future college expenses.
- **Rent-Free Living** – If you move to a retirement community or downsize to a smaller home, allow family to live in your house rent-free.

- **Donations to Charity** – You can give however much you want to the charity of your choice.
- **Scholarship Funds** – Consider funding a scholarship at your alma mater.
- **Heirlooms** – For non-monetary gifts, passing down important or valuable items can be a meaningful experience for both you and the receiver.

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Offering [supportive independent living, assisted living and memory care](#) services for families in Venice, Florida, Tuscan Gardens of Venetia Bay was founded with one simple, yet profound goal – to create a community worthy of our parents. In all we do, we are guided by the principles of family, [culture and engagement](#), working to represent the remarkable way of life our families deserve.

The essence of our community is made up not only of mere aesthetics, but an artfully designed lifestyle to bring out the best of what each day has to offer. From dedicated care that respects residents' individuality and dignity to a [lifestyle that nurtures their love of life](#), Tuscan Gardens was built to be more than just a residence, but a place to call home.

To learn more about our comfortable, elegant community, [contact us](#) today!