

## Office Hours Study Guide

# Completing the Estate Plan: *Core Documents and Why They Matter* **Wills, Revocable Trusts, and the Importance of Coordination**

While estate planning can seem complex, the foundation typically rests on just a few core documents. At the center of every estate plan is either a last will and testament, a revocable living trust, or a combination of both. These documents determine who receives assets, how they receive them, and who controls those assets until distribution occurs.

Understanding how these tools work—and how they work together—is essential for advisors guiding estate planning conversations.

### **THE ROLE OF THE WILL**

The last will and testament is often the most recognizable estate planning document. Popular culture depicts dramatic “readings of the will,” complete with surprise disinheritances and stunned family members. In reality, those theatrical moments rarely occur.

What does occur is probate. A will becomes part of the public record once filed with the court. That means anyone can access it by visiting the courthouse. For clients concerned about privacy, particularly those with significant wealth, unequal distributions, or complex family structures, this is an important consideration.

#### **A will accomplishes several key objectives:**

- It names beneficiaries
- It appoints an executor
- It provides instructions for distribution
- It overrides state intestacy laws

Without a will, the state determines who inherits. And as most advisors know, state default rules rarely align perfectly with a client’s intentions.

However, because a will is public, it may not be the ideal place to detail specific dollar amounts or nuanced distribution provisions.

## THE ROLE OF THE REVOCABLE LIVING TRUST

A revocable living trust serves a similar core function as a will but with one major difference: it operates outside of probate.

### The trust allows clients to:

- Direct how and when beneficiaries receive assets
- Maintain privacy
- Provide ongoing management if incapacity occurs
- Avoid the probate process for properly funded assets

The trust becomes the vehicle through which assets are managed and ultimately distributed. For clients with privacy concerns, blended families, or more complex distribution structures, the revocable trust often becomes the primary document governing the estate.

However, creating a trust alone is not enough. Assets must be properly titled or designated to the trust for it to function as intended.

## WHY A TRUST STILL REQUIRES A WILL

A common misconception is that once a client establishes a revocable trust, the will is no longer necessary. However, even when a trust is in place, a will remains essential.

This type of will is typically called a “pour-over will.” Its purpose is straightforward: if any asset is left outside the trust, whether intentionally or by mistake, the will directs that asset into the trust through probate.

Without that safety net, forgotten assets can create unintended consequences.

### Consider a situation where:

- A client establishes a revocable trust
- Most assets are properly titled into the trust
- One life insurance policy is overlooked and has no beneficiary designation
- No pour-over will exists

If that policy becomes payable to the estate, state intestacy laws may determine its distribution rather than the carefully structured trust terms. In blended family situations or where unequal distributions were planned, this can directly frustrate the client’s intent.

The will and the trust are complementary documents. Together, they create continuity and coverage.

## THE IMPORTANCE OF KEEPING DOCUMENTS CURRENT

Estate planning is not a one-time event.

### Clients should review their documents:

- After major life changes (marriage, divorce, births, deaths)
- After significant asset changes
- After moving to a new state
- Periodically as laws evolve

We believe an outdated estate plan can be nearly as problematic as no plan at all. Advisors play a critical role in prompting these reviews and ensuring coordination between asset titling, beneficiary designations, and governing documents.

## THE BOTTOM LINE

A complete estate plan requires more than signing a single document.

At minimum, clients often need a will, a revocable living trust, and thoughtful coordination between the two. The goal is not simply to create documents, but to ensure that:

- Assets flow according to intention
- Privacy is preserved where desired
- Probate is avoided when possible
- And no unintended gaps exist

For advisors, helping clients understand how these documents interact, and why both may be necessary, is one of the most valuable estate planning conversations you can facilitate.

To learn more about this topic, please watch our [Office Hours video](#) or reach out to your investment consultant.

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