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**Wealth Management &
Financial Planning Services**

What is the difference between a living will and a living trust?

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Answer:

These two very important estate planning devices are quite different from each other but serve similar purposes. A living will lets you manage your health-care decisions in case you become incapacitated. A living trust lets you manage your property in case you become incapacitated.

A living will is not actually a will at all. It is a legal document that becomes effective if you become so ill or injured that you can't make responsible health-care decisions for yourself. It lets you approve or decline certain types of medical care in advance, even if you die as a result.

A living will is allowed only in some states. If you don't live in one of those states, you may be able to accomplish the same goal using a durable power of attorney for health care, health-care proxy, or Do Not Resuscitate order.

By comparison, a living trust is just what it says. It is a revocable trust you create while you are living. You transfer property to the trust, and the trust then "owns" it. You name yourself as trustee and someone else as a successor trustee. You manage the property in the trust unless you become incapacitated (or until you die), in which case your successor trustee automatically steps in to continue managing the property for you.

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