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TRUST INTRODUCTION -101

Training The Next Generation Of Entrepreneurs



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What is a Trust

- a fund consisting of assets belonging to a trust, held by the trustees for the beneficiaries.
- A trust fund is a fund comprised of a variety of assets intended to provide benefits to individuals or organizations. A grantor establishes a trust fund to provide financial security to beneficiaries, most often a child or grandchild, or organizations, such as a charity or other nonprofit organizations.





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Why Do We Need A Trust

- Total Asset Protection
- Total Privacy
- Avoid Probate
- Avoid Double Taxation
- Still Qualify for Medicaid
- Build Generational Wealth



Make It Your Choice To Succeed!



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How We Use Trust Funds

- Once you place assets in the trust, they are no longer yours. They are under the care of the trustee. A trustee is a bank, attorney, or person or other entity set up for this purpose. Since the assets are no longer yours, you don't have to pay income tax on any money made from the assets.



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What Is An Asset

- A useful or valuable Person, Place or Thing
Bond Certificate
- Property owned by a person or company, regarded as having value and available to meet debts, commitments, or legacies.
- **Assets** are reported on a company's balance sheet, as tangible and they are bought or created to increase the value of a firm or benefit the firm's operations.





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Types of Assets



- **Current Assets**
- **Fixed Assets**
- **Physical Existence**
- **Tangible Assets**
- **Intangible Assets**
- **Operating Assets**
- **Convertibility Assets**

Current Asset	Fixed Asset	Tangible Asset	Intangible Asset	Operating Asset
Cash	Land	Land	Goodwill	Cash
Bank Balance	Road	Road	Patents	Bank Balance
Investments	Building	Building	Brand	Inventory
Inventory	Furniture	Furniture	Trademark	Stocks
Stock	Plant	Plant	Copyright	Prepaid Exp.
Receivables	Machinery	Machinery		Receivables
Prepaid Exp.	Equipments	Equipment		Plant
		Cash		Machinery
		Inventory/Stock		



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So Depending On How Your Trust Is Set UP Will Determine Several Important Factors

Jurisdiction – Depending on how you Register your Trust will determine your jurisdiction

Protection – Depending on what jurisdiction you give to the trust will determine what laws the trust is subject to, either common or civil law

Taxes– Depending on what jurisdiction you give to the trust will determine what taxes the trust will file, either state or federal or both

Privacy– Depending on what jurisdiction you give to the trust will determine what privacy the trustee and beneficiaries have in regards common or civil law

Your Trust Has The Ability To Be Recognized Like A
State having its own jurisdiction under common law
Trust - Estate



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There Are Several Types of Trust

Living Trust – Trust with Restrictions – Limited Liability - Registered with State, Federal – Limited Tax Provision – Asset Protection only while Living – No Privacy – Civil & Common Law

Revocable Trust– Trust with Restrictions – Limited Liability - Registered with State, Federal – Limited Tax Provision – Asset Protection only on Revocable Assets– No Privacy – Civil & Common Law

Irrevocable Trust – Trust with Restrictions – Limited Liability - Registered with State, Federal – Limited Tax Provision – Asset Protection on Irrevocable Assets– No Privacy – Civil & Common Law

Retirement Trust – Trust with Restrictions – Limited Liability - Registered with State, Federal – Limited Tax Provision – Asset Protection on Retirement Assets– No Privacy – Civil & Common Law

Real Estate Trust – Trust with Restrictions – Limited Liability - Registered with State, Federal – Limited Tax Provision – Asset Protection on Real Estate Assets– No Privacy – Civil & Common Law

Charity Trust – Trust with Restrictions – Limited Liability - Registered with State, Federal – Limited Tax Provision – Asset Protection on Charity Assets– No Privacy – Civil & Common Law



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Trust - Definitions

Principal – Also known as the “Corpus” - The amount originally received, plus capital gains, less debts, expenses, capital losses

Income – Is the Interest, dividends, and other sources of revenue earned from the PRINCIPAL of the Trust – 37% tax

Capital Gain – Is not income to an Irrevocable trust, they are contributions to the trust – 20% tax on revocable trust

Gift Tax – Not taxable to Trust, Taxable to individuals when they receive over \$14,400

Dividend – A sum of money paid regularly by a company to its shareholders out of its profits or reserves. 15%

Qualified Dividend – many grantor or non-grantor may set up trust with the intention to fund them with NPTS, such as stocks, promissory notes, and limited partnership interests.

Promissory Notes – A grantor may lend money into a third party and decide to place the promissory note into the trust. He or she may transfer the note to the trust by executing an assignment of the note to the trustee(s).



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There Is Only One Trust That Is with Common Law Jurisdiction & IRS Tax Code 643B

Domestic Specialized Non-Grantor Irrevocable Complex Discretionary Spendthrift Dynasty Blind Trust

No Restrictions, No Liability, Registered w/ Federal Only, Tax Deferment Status w/ IRS, Total Asset Protection, Full Privacy, Under Common Law Only

Domestic – Inside of the UNITED STATES CORPORATION

Specialized – Customized To Your Personal Situation

Non-Grantor – This Trust is not started by you, neither granted by you, meaning your SS# is not associated with this Trust

Irrevocable – Every asset that was conveyed to the trust at the inception of the trust, can not be taken out of the trust unless told by the trust for the beneficiaries of the trust

Complex – The trust is operated as a business and personal entity giving the trustee or trustee's access to make business transaction through the trust with financial institutions

Discretionary – The trustee or trustee's have sole discretion to use the assets or invest the assets for the benefit of the beneficiaries of the trust

Spendthrift – Newly recognized trust that embeds IRS tax codes and statues with the trust

Dynasty – Allows the Trust to pass down assets from generation to generation

Blind – Neither the Grantor or Beneficiary are privy to any of the Trust information or assets