

# Wealth Docx® Drafting Preview



## Revocable Living Trust (RLT)

Wealth Docx is the premier drafting tool for estate and business planning attorneys. Through document automation and built-in customizations, Wealth Docx helps attorneys create high-quality legal documents in a fraction of the time. The following is an example of our Revocable Living Trust module, which allows users to create Individual, Joint, and Joint Pour-Over (Community Property) Trust.

- To begin the document drafting process, the user answers a series of questions in the client interview function. These questions are then automatically applied within the document, which the user can see in real time through the Preview Screen.

- When using the Revocable Living Trust and Ancillaries interview, the trust length (Full or Simplified version) may be selected in the Revocable Living Trust Option screen of the interview.

- The Comparison Chart lists the options (article by article) located in the full version of the trust and compares and shows whether the option is located in the Simplified and Quick versions of the trust. This chart provides users with a resource to help them quickly identify the most appropriate trust to meet the wishes of a specific client. The Comparison Trust can be downloaded from the Revocable Living Trust options screen of the interview or it can be downloaded by clicking on the link here.

<https://member.wealthcounsel.com/file/16578630314997259671>

**MATTER:** Sally Sample Estate Planning | **ANSWER SET:** FULL IND RLT | **DOCUMENT:** Living Trust and Ancillaries | **LAST SAVED:** 9/20/2018 8:59 PM

**LIVING TRUST AND ANCILLARIES**

PROGRESS: 99%

- Wealth Docx® - Revocable Living Tr...
- Revocable Living Trust Options**
- Attorney: Jenny Sample
- Grantor 1: Sally Sample
- Grantor 2: Barney Rubble
- Joint Trust Agreement**
- ARTICLE 1: Establishing Our Trust
- Revocable Living Trust Information

### Revocable Living Trust Options

The Express Interview presents fewer questions and makes a number of assumptions based on your answers to the questions in the *Wealth Docx® Default Settings* or if none based upon the most common answer to a number of design questions. To insure that the assumptions are based upon your preferences, complete all the questions asked in the Default Settings.

Select the Wealth Docx® RLT Interview you want to use for this client:

- ☒ Complete Interview
- ☐ Express Interview

**IMPORTANT NOTE:** If you have answered questions in *Complete Interview* mode and then you come back to this dialog and select *Express Interview*, Wealth Docx® will reset many of the answers you entered to their default or most common settings and your previous answers will not be preserved.

[Download Trust Comparison Chart - Quick, Simplified, and Complete](#)

- In addition to creating a new trust, users may also create a restated trust. If the previous trust was drafted in Wealth Docx, the previous answer file or answer set may be used to create the trust restatement quickly in the drafting system.

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PROGRESS: 99%

**ARTICLE 1: Establishing Our Trust**

- Revocable Living Trust Information**
- Initial Trustee(s)
- Distribution Trustee Provisions
- Option to Include Statement of L...
- Separate Property Funding Optio...
- Initial Funding Method
- Agent's Power to Amend

### Revocable Living Trust Information

California

Trust date: (optional)  
08 / 15 / 2018

Whose social security number do you want to use as the tax identification number for joint revocable trusts?  
Sally Sample's

Check if Trust is a restatement.  
☐ Yes ☒ No

Select method for distributing property to a beneficiary's descendants if the beneficiary is deceased:  
per stirpes

[Learn more about Survivorship Options \(4:31 minutes\)](#)

Include "or their successors in interest" in the formal name of the trust. (optional)  
☒ Yes ☐ No

- The Revocable Living Trust interview provides default text if the client wishes to include a Statement of Intent. This text can be altered and set as the default language in the document being created, as well as future Revocable Living Trusts.

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PROGRESS: 99%

**ARTICLE 1: Establishing Our Trust**

- Revocable Living Trust Information
- Initial Trustee(s)
- Distribution Trustee Provisions
- Option to Include Statement of I...**
- Separate Property Funding Optio...
- Initial Funding Method
- Agent's Power to Amend

### Option to Include Statement of Intent or Purpose

Do you want to include a Section in Article One setting forth the Grantors' intent or purpose in creating their revocable living trust?  
☒ Yes ☐ No

Heading for Section:  
Statement of My Intent

[Save as Preference Heading](#)

[Restore Default Heading](#)

Section Text:  
I am creating this revocable living trust and any separate trusts established under this instrument with the intent that assets transferred to the trust be held for my benefit while I am living, and for the benefit of my beneficiaries after my death on the terms and conditions set forth in this instrument. In order to accomplish the intent set forth in this

[Save as Preference Text](#)

- Once the user chooses to include a Statement of Intent, the language populates in the document. There is also an option to use WealthCounsel default language. When using the WealthCounsel generated default language, the user will be prompted to include any personal specific purpose and provide examples of such specific purposes.

### Section 1.03 Statement of Our Intent

We are creating this revocable living trust and any separate trusts established under this instrument with the intent that assets transferred to the trust be held for our benefit while we are living, and for the benefit of our beneficiaries after our death on the terms and conditions set forth in this instrument. In order to accomplish the intent set forth in this Section, we have given our Trustee broad discretion with respect to the management, distribution, and investment of assets in our trust. [Include any personal specific purpose, e.g. protecting a beneficiary's inheritance from creditors, providing for education of descendants, promoting family harmony, promoting personal values.] All provisions of this trust are to be interpreted to accomplish our objectives.

- Wealth Docx also helps attorneys adhere to state property law through the separate or community property option:

MATTER: Sally Sample Estate Planning | ANSWER SET: FULL IND RLT | DOCUMENT: Living Trust and Ancillaries | LAST SAVED: 9/20/2018 9:17 PM

**LIVING TRUST AND ANCILLARIES**

PROGRESS: 99%

**ARTICLE 1: Establishing Our Trust**

- Revocable Living Trust Information
- Initial Trustee(s)
- Distribution Trustee Provisions
- Option to Include Statement of I...
- Separate Property Funding Option...**
- Initial Funding Method

**Separate Property Funding Options**

Select one of the following options for transfers of separate property to the trust:

- Language for community property states
- Language for separate property states

Should the definition of a Grantor's separate property include the income on separate property?

- Yes
- No

Property agreement overrides trust (see help)?

- Yes
- No

Is unscheduled property treated as half separate property of each spouse (see help)?

- Yes
- No

- The trust can be further tailored to your state's laws through the Uniform Trust Code (UTC) provisions option. For example, if a client lives in a state that has adopted UTC provisions, WealthCounsel provides default language, which can be selected. The definitions related to the default language appear in the interview screen to give the user a quick view of the type of language that will populate in the document if the default option is selected—making it easy to determine whether the default language can be used or if the user will need to amend this language.

MATTER: Sally Sample Estate Planning | ANSWER SET: FULL IND RLT | DOCUMENT: Living Trust and Ancillaries | SAVING... 9/20/2018 9:19 PM

**LIVING TRUST AND ANCILLARIES**

PROGRESS: 99%

- Separate Property Funding Option...
- Initial Funding Method
- Agent's Power to Amend
- Exercise Testamentary Power of ...
- UTC Provisions**

**ARTICLE 2: Family Information**

- Trust Protector provisions

**\*ARTICLE 3: Trustee Succession ...**

**UTC Provisions**

Help for UTC Provisions Dialog

Include UTC provisions?

- Yes
- No

Use default language?

- Yes
- No

"Permissible Distributee" means a beneficiary who is currently eligible to receive distributions of trust income or principal, whether the distribution is mandatory or discretionary.

"Qualified Beneficiary" means a beneficiary who, on the date the beneficiary's qualification is determined:

- (1) is a distributee or Permissible Distributee of trust income or principal;
- (2) would be a distributee or Permissible Distributee of trust income or principal if the interests of the distributees described in subparagraph (1) terminated on that date; or
- (3) would be a distributee or Permissible Distributee of trust income or principal if the trust terminated on that date.



- The Determination of Income and Principal option further allows the user to draft a document that is specific to his/her state law. This option includes WealthCounsel suggested state statutory references that can be easily used by clicking the blue button to “Clear field and reset to the [trust state] recommended” reference:

**MATTER:** Sally Sample Estate Planning  
**ANSWER SET:** FULL IND RLT  
**DOCUMENT:** Living Trust and Ancillaries  
**LAST SAVED:** 9/20/2018 9:43 PM

**LIVING TRUST AND ANCILLARIES**  
PROGRESS: 99%

- Alternatives for Trustee Discretion
- Limiting Trustee Liability
- Trustee Compensation
- Determination of Income and Principal**
- Method of Exercising a Power of ...
- Trustee Self-Dealing
- Discretionary Distributions for S...
- Dispute Resolution
- Trust Administration - Objection ...

**Determination of Income and Principal**

Select one of the following options for how the Trustee is to determine apportionment between principal and income:

- ☒ In accordance with the state's principal and income act.
- ☐ As the Trustee determines in a fair, equitable and practical manner.

Name of the state principal and income act, e.g. "California Uniform Principal and Income Act."

the California Uniform Principal and Income Act, Probate Code §§ 16320et seq

California recommended reference is: "the California Uniform Principal and Income Act, Probate Code §§ 16320et seq"

[Clear field and reset to California recommended](#)

### Section 13.11 Determination of Principal and Income

The rights among beneficiaries in matters concerning principal and income are to be determined in accordance with the California Uniform Principal and Income Act, Probate Code §§ 16320et seq. If the California Uniform Principal and Income Act, Probate Code §§ 16320et seq does not contain a provision concerning a particular item, our Trustee shall

- The interview provides users with the ability to name trustees and successor trustees for both incapacity and death.

**MATTER:** Sally Sample Estate Planning  
**ANSWER SET:** FULL IND RLT  
**DOCUMENT:** Living Trust and Ancillaries  
**LAST SAVED:** 9/21/2018 9:09 AM

**LIVING TRUST AND ANCILLARIES**  
PROGRESS: 99%

- At Least 2 Trustees Required
- Incapacity of a Trustee
- Same Trustees for Incapacity and Death?**
- Spouse as Trustee
- Trustees same for both spouses?
- Successor Trustees
- Incapacity Trustees: Removal
- Incapacity Trustees: Default of D...

**Same Trustees for Incapacity and Death?**

Will the Successor Trustees be the same for both Incapacity and Death?

☒ Yes ☐ No

NOTE: If you select this option, you will not have the option to list Trustee succession separately for each trust created after the death of a Grantor. Trustee succession will be listed once for all trusts created after the death of a Grantor.

**MATTER:** Sally Sample Estate Planning  
**ANSWER SET:** FULL IND RLT  
**DOCUMENT:** Living Trust and Ancillaries  
**LAST SAVED:** 9/21/2018 9:09 AM

**LIVING TRUST AND ANCILLARIES**  
PROGRESS: 99%

- At Least 2 Trustees Required
- Incapacity of a Trustee
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- Trustees same for both spouses?
- Successor Trustees**
- Incapacity Trustees: Removal
- Incapacity Trustees: Default of D...

**Successor Trustees**

List the Successor Trustees to serve during the incapacity or upon the death of a Grantor:

**SUCCESSOR TRUSTEES**

Name: Charlie Sample

Contact not listed? [Create a new contact](#)

Charlie Sample Individual [edit contact](#)

Name: Fran Sample

Contact not listed? [Create a new contact](#)

- The excerpts below show the language that appears in the document as a result of the selections made in the interview concerning trustee succession during incapacity and death.

### (b) Successor Trustee during Incapacity of a Grantor

During the incapacity of a Grantor, the other Grantor may serve as sole Trustee.

If the other Grantor is unable or unwilling to serve for any reason, then we name the following to serve as successor Trustee in this order:

Charlie Sample;  
 Fran Sample; then  
 Bob Jones and Jenny Jones or the survivor of them.

## Section 3.03 Trustee Succession after the Death of Either or Both of Us

After the death of either or both of us, this Section governs the removal and replacement of our Trustees.

### (a) Upon the Death of a Grantor

Upon the death of a Grantor, the other Grantor may serve as sole Trustee of all trusts created under this instrument.

If the other Grantor is unable or unwilling to serve for any reason, we name the following to serve as successor Trustee in this order:

Charlie Sample;  
 Fran Sample; then  
 Bob Jones and Jenny Jones or the survivor of them.

- In addition to providing for trustees and trustee powers, there is an option to include provisions for a Trust Protector. The user may choose between using standard or enhanced Trust Protector powers.

MATTER: Sally Sample Estate Planning | ANSWER SET: FULL, IND, RLT | DOCUMENT: Living Trust and Ancillaries | LAST SAVED: 9/20/2018 9:21 PM

**LIVING TRUST AND ANCILLARIES**

PROGRESS: 99%

- UTC Provisions
- ARTICLE 2: Family Information
- Trust Protector provisions**
- \*ARTICLE 3: Trustee Succession ...
- ARTICLE 4: Administration of Ou...
- Determination of Incapacity
- Distribution Guidelines During a ...
- Gifting Provisions During a Grant...

**Trust Protector provisions**

Include provisions for Trust Protector(s)?

☒ Yes ☐ No

Refer to the Trust Protector as:\*

Trust Protector

*What's in a name? The particular name used to refer to the Trust Protector has no legal significance. D. Waters, "The Protector: New Wine in Old Bottles?," Trends in Contemporary Trust Law (1996) at 63. Accord A. Bove, Trust Protectors: A Practice Manual with Forms (2014), at 9-10. Sherby reports that many practitioners are dissatisfied with the name Trust Protector. Wealth Docx™ permits you to change the name of the position to Trust Advisor or whatever other name you would like. Yet, Sherby has noted that "clients and practitioners seem to understand that a 'trust protector' is a third person designated by the settlor to make certain delineated decisions about the trust administration," and for that reason probably should "continue to be used unless or until there is consensus on the use of another name." K. Sherby, "In Protectors We Trust: The Nature and Effective Use of 'Trust Protectors' as Third Party Decision Makers," 49th Annual Heckerling Institute on Estate Planning (2015) at 13-2.*

Choose an option for the Trust Protector provisions to include:\*

☒ Standard ☐ Enhanced

- The excerpt below shows a few of the specific sections enumerated within the Trustee Succession and Trust Protector Provisions article.

## Section 3.11 Provisions for Trust Protector

The function of the Trust Protector is to direct our Trustee in matters concerning the trust, and to assist, if needed, in achieving our objectives as manifested by the other provisions of our estate plan.

Any Trust Protector named or appointed under this Section must be a corporate fiduciary or an individual who is not related or subordinate to either of us while we are still living, or to any beneficiary within the meaning of Internal Revenue Code Section 672(c). Notwithstanding any provision that may seem to the contrary, a Trust Protector shall only act during the period of the incapacity of or after the death of one or both of us. But the Trust Protector's authority to act will not extend to any portion of the trust over which the survivor or non-incapacitated party has the power to revoke or amend the trust provisions.

- A wide array of marital share funding options also exist to provide flexibility and solutions to meet the needs of a variety of client-specific circumstances.

- Depending on the options selected in the marital share funding options, users may create additional subtrusts including a marital QTIP Trust, a Family or Bypass (Credit Shelter) Trust, a Survivor's Trust, and more.

## Article Nine The QTIP Trust

Our Trustee shall administer the Marital Share in trust as provided in this Article. The trust will be referred to as the *QTIP Trust*.

### Section 9.01 Distributions of Net Income

Our Trustee shall distribute all of the net income of the QTIP Trust to the surviving Grantor at least monthly during the surviving Grantor's lifetime. Nothing contained in this instrument limits the right of the surviving Grantor to receive the entire net income of the QTIP Trust.

### Section 9.08 Administration of the QTIP Trust at the Death of the Surviving Grantor

The QTIP Trust will terminate upon the death of the surviving Grantor.

If the surviving Grantor has not fully exercised the testamentary power of appointment over the trust property remaining at his or her death, our Trustee shall distribute the unappointed balance or remainder of the QTIP Trust as provided in Article Ten.

## Article Eight The Family Trust

Our Trustee shall hold and administer the deceased Grantor's remaining property in a separate trust as provided in this Article. This document refers to the trust as the *Family Trust*.

### Section 8.01 Family Trust Beneficiaries

The surviving Grantor and our descendants will be the beneficiaries of the Family Trust during the surviving Grantor's lifetime. In making distributions under this Article, our Trustee shall give consideration first to the needs of the surviving Grantor and only thereafter to the needs of our descendants and the remainder beneficiaries.

- The Revocable Living Trust interview provides users with the option to create a Common Trust (also known as a pot trust) for the grantor's children upon the grantor's death. In the interview, the user selects the age at which the Common Trust terminates and may choose to include customized guidelines with respect to distributions from the trust.

### Section 9.01 The Common Trust

If our youngest living child has not reached 21 years of age, then until our youngest child has reached 21 years of age, our Trustee shall hold our remaining trust property in a common trust (the *Common Trust*) for the benefit of our living children and the living descendants of any deceased children.

If each of our living children has reached 21 years of age, our Trustee shall administer our remaining trust property as provided in Section 9.02.

There is no Primary Beneficiary of the Common Trust. For purposes of the Common Trust, references in this instrument to the Primary Beneficiary instead refer to a majority of our children. Our Trustee shall administer the Common Trust as follows.

- The Common Trust addresses distributions of income and principal;

#### (a) Distribution of Income and Principal

Our Independent Trustee may distribute as much of the net income and principal of the Common Trust to any of our living children and any deceased children's living descendants as the Independent Trustee may

- advancements for specific purposes;

#### (b) Advancements

Our Independent Trustee may make advancements by distributing principal of the Common Trust to any of our children for the following purposes:

- to permit a child to enter into or engage in a business or profession;
- to permit a child to purchase a personal residence; or
- to pay the expenses of a child's first wedding.

- guidelines for discretionary distributions;

#### (c) Guidelines for Discretionary Distributions

To the extent that it is reasonably practicable, our Trustee may exercise discretion in making distributions of net income and principal from the Common Trust to ensure that our younger children are provided with the same advantages that were provided for our older children.



- provisions for guardians; and

#### (d) Provisions for Guardians

If a child of ours resides in a guardian or relative's home, our Trustee may furnish as much property of the Common Trust as our Trustee considers

- termination of the trust.

#### (e) Termination of the Common Trust

The Common Trust will terminate when each of our then-living children has reached the age of 21 years. Upon termination, our Trustee shall administer the remaining trust property as provided in the next Section.

- Options to make distributions individuals, charities or a mixture of both, are provided in the interview. Distributions to children, residuary beneficiaries, and remote contingent beneficiaries allow users to make distributions outright, in a general needs trust or in a supplemental/special needs trust. Other options allow users to make staged distributions.

### Residuary Beneficiaries

After the death of the survivor of the Grantor and the Grantor's spouse, the residuary beneficiaries are:\* | 







- ☒ All individuals
- ☐ All charities
- ☐ Divide remaining property into charitable and non-charitable shares



#### Residuary Distribution Options



Following the death of Sally Sample and Barney Rubble the remaining trust property shall be:

- ☐  Distributed outright to descendants, per stirpes. 
- ☐ Divided into shares for descendants, per stirpes, to be distributed outright to descendants over a stated age and held in trusts for any descendants under a stated age. 
- ☐ Divided into shares, per stirpes, each share held in trust. State the terms of the trust once and apply to all descendants' trusts. 
- ☒ Divided into shares, per stirpes. Separately state terms of administration and distribution for each child. 
- ☐ Divided into shares for named beneficiaries. Separately state terms of administration and distribution for each beneficiary. 

==> NOTE: If you select the option to distribute the residuary outright to descendants over a stated age and held in trusts under the stated age, you will not be able to create a common trust. Likewise, if you select the option to divide the residuary into shares for named beneficiaries, you will not be able to create a common trust for children. The common trust for children assumes further division for descendants only.

### [Residuary Beneficiary]'s share

#### Distribution of [Residuary Beneficiary]'s Share:

The share shall be distributed:

[Select option] ▼

[Select option]

Outright

In a General Needs Trust

In a Special Needs Trust

To an existing trust for the beneficiary

Rather than terminate the trust, [Residuary Beneficiary] may be given a right to withdraw all or a portion of the trust principal.

What type of withdrawal right?  

- ☐ Unlimited
- ☒ At Ages
- ☐ At Intervals
- ☐ None

Enter the **Ages** and the **Percentage or Fraction** subject to the withdrawal at each stated age. *NOTE: Make sure to enter the percentage or fraction as you want it to merge, e.g. "25%" or "one-fourth." Enter "ALL" for the percentage or fraction if the beneficiary will be entitled to withdraw the entire balance of the trust at the stated age.*

## Article Ten

### Distribution to Our Descendants

Our Trustee shall administer and distribute our remaining trust property (not distributed under prior Articles of this instrument), or other property allocated to this Article, or other trust property allocated to this Article, under the terms of this Article.

#### Section 10.01 Division of Our Trust Property

Our Trustee shall divide property allocated to this Article into separate shares for our descendants, *per stirpes*.

Our Trustee shall administer the share for each of our living children as a separate share for the benefit of the child as provided in the Sections that follow. Our Trustee shall administer the share for each descendant of a deceased child as provided in Section 10.03.

#### (b) Right to Withdraw Principal

At the intervals set forth below, David Sample may withdraw from his trust, at any time, amounts not to exceed in the aggregate:

50% of the accumulated trust income and principal, after reaching 25 years of age and

increased by 50% of the accumulated trust income and principal not already subject to withdrawal, calculated by taking the total accumulated trust income and principal and deducting any amount already subject to withdrawal but not actually withdrawn, after reaching 35 years of age.

## Article Eleven

### Remote Contingent Distribution

If at any time no person or entity is qualified to receive final distribution of any part of our trust estate, this portion of our trust estate must be distributed to those persons who would inherit it had the Grantor then died intestate owning the property, as determined and in the proportions provided by the laws of California then in effect.

Learn more about Wealth Docx's drafting capabilities and how it can help your practice [here](#).