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***AUGUST ISSUE***

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**Does a Living Trust Go Through Probate?**

When it comes to the distribution of assets, a trust is a good option to ensure that assets go where they are intended to. Typically, trusts do not have to go through probate – but what about living trusts? Learn more details about living trusts and when it does or does not go through probate.

**Trusts: The Basics**

A trust is a legal document in which a trustee is appointed to manage assets for the trust creator (trustor) while they are incapacitated or after they die. A trust can also be created to manage the trust assets while the trustor is still alive – otherwise known as a **living trust**.

A trust can be either revocable or irrevocable. Revocable trusts are legal documents in which the terms can be altered at any time by the trustor. An irrevocable trust cannot be altered once it is in effect, typically occurring after the trustor has passed. A

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**What Our Clients Say About Us**

“The Marcia Campbell team was responsive to our needs and questions. They were attentive to details, clear on instructions, and always willing to help with out financial concerns.”

–KO

**The IRS Annual “Dirty Dozen” List of Scams - Part 2**

The Internal Revenue Service has published its annual "Dirty Dozen" list for 2022, which includes potentially abusive arrangements that taxpayers should avoid. This list has been compiled for more than 20 years as a way of alerting taxpayers and the tax professional community about scams and schemes.

Last month we looked at four scams that target the average individual taxpayer. Here are the other eight scams identified by the IRS:

**Abusive Agreement Scams**

The IRS listed four abusive transactions that taxpayers should look out for. These are the first four of the dozen they noted. These cons involve:

- 1) Fake charitable remainder trusts
- 2) Maltese pension plans
- 3) Foreign captive insurance
- 4) Monetized installment sales

The IRS noted, that “taxpayers can help stop these arrangements by relying on reputable tax professionals they know they can trust.”

**5) Phony Tax Preparers**

Companies that make bogus claims to settle a person’s debt for a low price have given tax preparers a bad reputation. These Offer in Compromise or OIC “mills” trick taxpayers by sending a letter in the mail to resolve tax issues. They file a taxpayer’s return which is

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Does a Living Trust Go Through Probate? ..... *Continued From Pg. 1*  
 ..... living trust may be altered and is considered revocable.

## Reasons a Living Trust Goes Through Probate

### Pour-Over Will

If you want to avoid probate, you may create a living trust and use a *pour-over will*. A pour-over will is a legal document that transfers an individual's assets into a previously established trust upon the trustor's death. Normally, it is used for assets that were not titled in the trusts name to pour them over into the trust.

### Beneficiary Disagreement

In general, if a beneficiary does not agree with the distribution of assets from the living trust, they can go to probate court to contest it. The *probate* process helps the beneficiary explain the situation and the judge makes a decision about who gets the assets.

### Speak with a Professional Fiduciary

A living trust is an option for those who want the ability to alter terms of the trust while they are living. Trustors may also want to avoid their trust going through probate after they pass away. If you need guidance, contact a professional who specializes in probate to ensure that your trust is managed outside of court.

Source: [www.mccampbellcpa.com](http://www.mccampbellcpa.com)

Please contact our office for more information.†

**"The most wasted of days is one without  
 laughter."**

~ E.E. Cummings



The IRS Annual "Dirty Dozen List of Scams - Part 2 ..... *Continued From Pg.1*  
 ..... inaccurate and causes more trouble than it would have been to work with the IRS.

This *easy-out* option may be tempting. "Ghost preparers" are people who aggressively promote bigger refunds if you use them. You can avoid falling into this tax scam by hiring a tax preparer and asking them for their Preparer Tax Identification Number (PTIN). Paid preparers must sign and provide this number to file any returns.

## Suspicious Communication

Scammers have used communication through letters and phone calls for years. What you should know is that the IRS will never call you to alert you of a mistake on your tax return. Below are several scams related to suspicious communications to look out for.

**6) Phone scams (calls, text messages):** The IRS does not leave pre-recorded, urgent or threatening messages. In many variations of the phone scam, victims are told if they do not call back, a warrant will be issued for their arrest, deportation or revocation of licenses.

**7) E-mail phishing scams:** The IRS does not initiate contact with taxpayers by e-mail to request personal or financial information. If a taxpayer receives an unsolicited fraudulent e-mail, the IRS asks that they report it by sending the e-mail as an attachment to [phishing@irs.gov](mailto:phishing@irs.gov). The Report Phishing and Online Scams page at [IRS.gov](http://IRS.gov) provides complete details.

The IRS does communicate through letters, but if you need to reference any letters you have received, check the document number online at [IRS.gov](http://IRS.gov).

## 8) Spear Phishing Scams

Last but not least are spear phishing scams, which target prominent individuals and businesses and organizations. Fraudsters will do anything to steal your information to file fake tax returns. These messages are curated to go after you or businesses so take caution opening links in suspicious e-mails asking for personal or financial information.

Source: <https://www.irs.gov/newsroom>

Please contact our office for more information.†



**You can e-mail us at  
[Lilly@MCampbellCPA.com](mailto:Lilly@MCampbellCPA.com)  
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