

## Benefits of a Trust

A well-managed trust gives you greater confidence that your estate will be administered in accordance with your wishes. Reasons to consider creating a trust include:

- Avoid the probate process, saving your heirs time and legal fees
- Ensure privacy, since trust documents do not get filed in probate court where documents are made public
- Minimize taxes (estate and succession planning strategies can help reduce the taxes owed upon the grantor's death)
- Provide for ongoing management of your estate
- Plan for and manage expenses in the event that you are incapacitated
- Guarantee that your assets will be distributed according to your instructions
- Specify charitable donations to your favorite organizations

A trust account at Northwest is federally insured by the National Credit Union Share Insurance Fund (NCUSIF) to at least \$250,000. The type of trust determines the guidelines for coverage.



Scan the QR code to learn more about our Trust Accounts.



## Member Service Center

### Hours

Mon-Fri: 7 a.m.–7 p.m. ET  
Sat: 8 a.m.–1 p.m. ET

### Phone

703-709-8900  
844-709-8900 (toll-free)

### Fax

703-925-5113

### TTY

703-709-8919

## Web Services

### Website

[nwfcu.org](http://nwfcu.org)

### Email

[nwfcu@nwfcu.org](mailto:nwfcu@nwfcu.org)

## ABA Routing Number

**256075025**

Direct deposit, inbound wire transfers, ACH transactions



To find a branch or free ATM near you, visit  
[nwfcu.org/locations](http://nwfcu.org/locations)



Insured by NCUA  
All information is current as of  
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# Trust Accounts



Together, we serve and inspire  
to transform lives.



Northwest Federal Credit Union offers a wealth of financial services to help secure your financial future and that of your family. A trust account can be a powerful planning tool, allowing you to manage and control many aspects of your estate.

A trust is a legal arrangement in which you place assets in custody for the benefit of others, namely, your beneficiaries. Your trust gives instructions as to how your assets should be managed or distributed at the time of your death.

## Establishing a Trust

Because a trust agreement is a legal document, an attorney will need to prepare the paperwork. Your attorney can explain the variety of trust options available and help you decide upon one that is right for you and your family.

Once your trust is established and your assets are transferred into it, the trust becomes the legal owner of those assets. You can place almost anything in the name of the trust, including funds held in your Northwest accounts.

## Northwest Trust Accounts

Northwest holds funds in the name of your trust and can act as a repository, but does not accept administrative responsibilities. (Trustee and administrative duties must be performed by a person or group designated by your trust document.) Borrowing against the trust account is permitted only if your trust agreement allows it. (The credit union will finance only savings secured loans on accounts held in the name of the trust.)

Once your attorney has established your trust, it's easy to put your Northwest accounts in the name of the trust. Simply provide the credit union with:

- A copy of the first page of your trust agreement
- A copy of the last page(s) showing notarized signatures
- A copy of any page(s) denoting beneficiaries
- A completed Northwest Trust Account Application & Update Form

Before making any transfers to a trust account, you should consult with your attorney and/or accountant.



## Northwest's Trust Alternatives

A Payable on Death (POD) account, also called a Totten trust, savings account trust, or informal trust, designates the recipient of your account funds and serves as a simple, inexpensive way to put certain financial assets in trust for your heirs. While a POD account does not replace a trust, it does offer many attractive features.

## Benefits of POD Accounts

- You do not need an attorney's assistance to establish the account.
- During your lifetime, you are permitted to withdraw the funds at any time for your own use.
- The beneficiary you name has no rights to any of the funds while you are alive, but automatically gets whatever is left in the account when you die.\*
- Your beneficiary can claim the money by showing a copy of the death certificate and personal identification.
- Because the beneficiary has no ability to withdraw funds during your lifetime, you will not be subjected to gift tax.
- A POD account is revocable—you may cancel the account or change beneficiaries at any time.
- A POD account generally will not be probated.
- The beneficiaries may be individuals, organizations, or existing trusts.
- POD accounts are insured to at least \$250,000 for each qualified beneficiary: parents, siblings, spouses, children, and grandchildren.

## Important Considerations

- Tax authorities can collect estate taxes from POD accounts.
- POD accounts are not as flexible as more formal trusts in that they generally do not let you name alternate beneficiaries.
- Be mindful of naming your children as POD beneficiaries and consider the implications if you die while they are still minors.

Establishing any Northwest account as a POD account is easy. Visit a member service representative at any Northwest branch or call us to receive a Membership Application & Update Form. Complete the form with your account information and the name of the person(s) you wish to designate as beneficiary of funds in your Northwest accounts (savings, checking, or certificate).

\*Funds from account may be required to pay the decedent's loans with the credit union or other debts of the decedent to third parties such as the Internal Revenue Service. Please consult your estate planning attorney for additional information.

Individual Retirement Accounts (IRAs) cannot be included within a trust as IRA funds pass directly to the designated beneficiaries upon the death of the owner. However, you may designate an established trust as the beneficiary of your IRA.