



What we can do for you

At Bath State Bank, we offer you — our customer — a comfortable, confidential Trust Service. Managing a trust may sound easy for an individual; however, it can be a complex job.

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If you need these services, you have the peace of mind in knowing that your trusted “friend by the side of the road” can help you handle your needs.

Also, we offer our support to help you achieve your goals in the area of estate planning. We understand your concerns about estate taxes, keeping the farm or business in the family, providing for your retirement or unexpected in-home health care, affording stable and adequate income for your spouse, children or grandchildren, along with other matters.

Trust services offered at The Bath State Bank:

- ◆ Administrating a trust to protect your assets and make distributions to the beneficiaries
- ◆ Executing a will
- ◆ Serving as an executor of an estate
- ◆ Managing the assets of an estate/trust/foundation
- ◆ Guardianship administration
- ◆ Personal investment management

What is a Trust

Simply stated, a trust is a set of instructions that may be enacted during and/or after your lifetime. Like a will, a trust disperses assets at the time of death. A trust is a private document, and unlike a will, is not subject to the constraints of probate costs. It is a tool to provide financial security for your family.

What is an Estate

An estate consists of all the property owned by a person. An estate can include such items as:

- ◆ Real property and things attached to it (houses, buildings, barns, land)
- ◆ All personal property (including automobiles, bank accounts, stocks and bonds, cash on hand, furniture and furnishings, equipment, jewelry, art, collections, animals, grain, retirement benefits, etc.)
- ◆ All businesses and business property (sole proprietorship, partnerships, corporations, joint ventures, inventory, tools and equipment, etc.)
- ◆ Powers of appointment (the right to direct the disposition of property upon the death of another)
- ◆ All debts and obligations owed to others

After a person dies, his or her estate must be distributed. How the estate is distributed is determined by several things: the will, the beneficiaries named (if any), the way the property is titled, any letter of instructions and the laws of the state in which the person lived. Some common goals of estate planning are keeping estate taxes to a minimum, retaining family ownership of property, along with retirement needs. Good estate planning is not just a simple will.

Tools in estate planning include (but are not limited to) a will, trust agreements, life insurance and long-term care insurance.

The importance of a Trust

It is important to have a plan in place — regardless of your age, marital status, financial status or health situation. Trusts are not just for the wealthy or the elderly. A trust offers greater protection from creditors, and offers the ability to direct your assets when you are no longer able.

Setting up a trust avoids the probate process. Probate court will not only split up your possessions, it could drain your assets in court and lawyer fees.

Real-life Scenario No.1

John and Mary Smith have farmed for 40 years, owning a home with 3,500 acres. They have four grown children: Jerry, who lives in Texas; Sue, who lives in Florida, and Bob and Bill, both near home. John retires from the farming operation due to ill health, therefore leaving sons Bob and Bill to farm the property using the machinery owned by their parents. John and Mary pay all of the real estate taxes and half of the farm expenses and receive half of the farm income. Bob and Bill each pay 1/4 of the expense and each receives 1/4 of the farm income. Bill's wife helps out on the farm by working in the fields and hauling grain, and she also keeps the farm records for the Smith's. The Smith's have no written agreements with their sons.

A: John and Mary Smith both die in an automobile crash. The couple had no will. *Questions:* Will Bob and Bill continue to farm? What if Jerry wants his portion of the pie immediately and the others are unable to buy him out.

B: Bill Smith passes away suddenly, leaving his wife and three children without any source of income. *Questions:* Will Bill's wife continue to work on the farm and become a 1/4 “partner” in the family business? What will happen to her way-of-life when her in-laws die? Will she have a share of the estate?

The Bath State Bank can provide personal trust & fiduciary services to you and your family. The first step is to identify your needs.

Real-life Scenario No.2

Beth was living in Ohio when she suffered a crippling stroke which left her bedridden and speechless. Fortunately, she had designated her daughter Jill, a registered nurse, as her successor trustee. Jill and her husband decide to move Beth into their home instead of a nursing facility. The arrangement was fine until Jill's brothers were told that she was paying herself a small salary from the trust for Beth's care. The brothers then demanded that their mother be moved into a nursing home. Beth's trust document proved to be inadequate. It did not contain a statement concerning Beth's health care desires, nor did it include instructions compensating family members who participated in her health care. The brothers became bitter and refused to visit Beth as long as she lived in Jill's home.

A: Jill took an 80 percent pay cut to take care of her mother. *Question:* Isn't she entitled to nominal compensation, which would include costs covering meals and transportation to the doctor and pharmacy?

B: Six years later, Beth's life-savings was depleted due to the fact that she was placed into a local, well-operated nursing facility. She could not afford to stay in the nursing home, thus was transferred to a lower-quality nursing home 20 miles away where Jill made the trip twice a day to make sure that her mother was maintaining a good appetite. What did this accomplish in the long run?



Our Trust Department

When you turn to a bank, especially its trust department, you want the assurance that qualified, experienced people will be there to meet your needs.

When you meet with our Trust professional, you are meeting with a person who has the expertise, the authority and the flexibility to make the decisions required to meet YOUR needs. Our sole objective is to help you achieve your personal financial and estate planning goals and objectives.

Because each individual's needs are unique, we are committed to learning as much as we can about each customer's situation. For more information, contact us at 765-732-3022. If calling long distance, please call 800-463-7464.

Bank Hours

Monday - Thursday

Lobby: 9 a.m.-3 p.m.
Drive-Up: 9 a.m.-4 p.m.

Friday

Lobby/Drive-Up: 9 a.m.-6 p.m.

Saturday

Drive-Up 9 a.m.-Noon

If you need a time other than indicated above, please speak with Michelle about a special arrangement.

***An important tip to remember:
Estate Planning is an ongoing process and can begin at any age. It is important to have a plan in place — regardless of your age, marital status, financial status or health situation.***



Trust Services & Estate Planning



The Bath State Bank

"The Bank by the Side of the Road that is Always a Friend."

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