



Term	Definition
AB trust	Trust established by married couples to exclude property from the estate of the surviving spouse
Accounting	Financial report showing assets, income, and expenses of an estate
Acknowledgment	Statement by a notary public confirming the authenticity of a signed document
Administration	Management and settlement of a decedent's estate
Administration expenses	Costs incurred in administering an estate
Administrator	Person appointed by the court to settle an estate
Advancement	Gift given by a parent to a child, deducted from the child's future inheritance
Affiant	Person who signs an affidavit
Affidavit	Written statement of facts made under oath
After-born child	Child born after a parent's will was signed
Agent	Person authorized to act on behalf of another
Alternate beneficiary	Secondary beneficiary who inherits if the primary beneficiary is unable to
Alternate valuation date	Date six months after a person's death for valuing estate assets
Anatomical gift	Donation of organs during life or after death
Ancillary probate	Probate in a state where a decedent owned real estate but not their primary residence
Annual gift tax exclusion	Exclusion amount for tax-free gifts, subject to annual adjustment
Attestation clause	Statement in a will confirming the signing by witnesses
Attorney at law	Legally qualified person authorized to represent clients
Attorney in fact	Agent authorized to transact business on behalf of another person
Basis for tax purposes	Valuation of property for determining taxable gain or loss
Beneficiary	Person or organization entitled to receive assets under a legal arrangement
Bequeath	To give personal property through a will
Bequest	Gift of personal property through a will
Bond	Monetary guarantee protecting beneficiaries or creditors from wrongful actions by an executor or trustee
Bypass trust	Trust excluding property from the surviving spouse's estate
Charitable remainder trust	Trust providing income to the grantor during their life, with the principal going to charity upon death
Charitable trust	Trust benefiting a qualified charity while providing tax savings for the grantor
Codicil	Amendment to a will

Term	Definition
Co-executor	Executor serving with one or more other executors
Common disaster	Simultaneous death of multiple individuals without clear evidence of who died first
Community property	Property owned equally by both spouses in certain states
Conditional gift	Gift dependent on specified conditions
Conservator	Person appointed by the court to manage property for a minor or incompetent person
Contingent beneficiary	Beneficiary who inherits if the primary beneficiary cannot
Convenience account	Joint account created for the convenience of one owner
Creditor	Person or company owed a debt by another person
Custodian	Person authorized to hold and manage property for a minor
Death tax	Tax imposed on property transfers at death
Debtor	Person who owes a debt to a creditor
Decedent	Person who has died
Decree	Official order or decision issued by a court
Deed	Legal document by which a person transfers title to real property to another person or entity
Descendant	Person who descends from another
Devise	Gift of real property, by will, to another
Disclaimer	To decline to accept a gift under a will, an estate, or a trust
Discretionary trust	Trust designed to permit its trustee to decide, in its discretion, when and how much to distribute to the trust's beneficiaries
Disinherit	The act by which the owner of property deprives a person who would otherwise be his heir of the right to inherit
Distribution	The act by which an executor or trustee delivers the estate's assets to the entitled beneficiaries
Domicile	State in which a person has established a permanent residence, even though he may not spend all or even most of his time in that state
Donee	Person or organization that receives a gift
Donor	Person who makes or gives a gift
Dower and curtesy	Right of a surviving spouse to receive a portion of the deceased spouse's property (usually one-third to one-half), if the surviving spouse is not left at least that share by will
Durable power of attorney	Power of attorney that remains in effect even after the person who signed it becomes incapacitated
Escheat	Legal process under which the probate assets of a person who dies leaving no will and no surviving heirs passes to the state
Estate	All property, real and personal, that a person owns
Estate planning	Preparing for the management of one's estate to provide for its transfer at death to designated beneficiaries
Estate tax	Tax imposed on the right of a person to transfer property at death
Executor	Person named in one's will to manage an estate, collect probate assets, pay legitimate claims, and distribute the balance as specified in the will
Family allowance	Amount of a decedent's property to which family members, usually the spouse and minor children, are entitled to receive shortly after death

Term	Definition
Fiduciary	Person occupying a position of trust who is responsible for the custody and management of property belonging to others. An executor, administrator, trustee, custodian, guardian, and conservator are fiduciaries
Forced share	Portion of the estate of a deceased spouse that must, under state law, be inherited by the surviving spouse
Funding a trust	The act of transferring ownership of property to a trust, in the name of its trustee, so that the property becomes subject to the trust's provisions
Generation-skipping tax	Federal tax imposed on transfers of assets that "skip" a generation, typically transfers to grandchildren
Generation-skipping trust	Trust designed to provide benefits for two or more successive generations beyond that of the grantor, while avoiding federal estate tax from generation to generation, and also avoiding the federal generation-skipping tax
Gift	The transfer of property from one person to another for nothing in return or for substantially less than its actual market value
Gift tax	Federal tax imposed on lifetime gifts, usually charged to the donor of the gift
Gift tax exclusion	The amount of a gift not subject to gift tax. The federal gift tax exclusion for 2007 excludes annual gifts of up to \$12,000. Any gift of more than \$12,000 per year requires the filing of a gift tax return and may be subject to gift tax
Grantor	Person who establishes a trust, also sometimes called a settlor or trustor
Grantor trust	Living trust in which the grantor maintains enough control over trust assets so that the trust's income is taxed to the grantor, not to the trust or its beneficiaries
Gross estate	For federal estate tax purposes, the total value of all property in which the decedent had an interest, without regard to any debts or liens against the property or the costs of administering the estate
Guardian ad litem	Legal representative, usually an attorney, appointed by the court to represent the interest of a minor or incompetent person in a particular matter before the court
Guardian of person	Person appointed by the court to care for the person of a minor or incompetent person
Guardian of property	Person appointed by the court to manage the property of a minor child or an incompetent adult
Heir	Person designated by state law to inherit the probate assets of one who dies intestate, that is, without leaving a valid will
Holographic will	An unwitnessed will that is completely handwritten, signed, and dated by the testator. Although legal in many states, its use is not recommended except as a last resort
Income beneficiary	Beneficiary of a trust who receives only income from the trust assets and not the assets themselves
Incompetent	Person declared by a court to be unable to manage his own affairs due either to physical or mental incapacity
Inherit	To receive property from the estate of one who dies
Inheritance tax	Tax imposed by some states on the right to inherit property
Insolvent estate	Estate whose debts exceed its assets
Insurance trust	Trust funded in whole or in part with life insurance proceeds
In-terrorem clause	Will or trust clause reciting that any beneficiary who contests the document forfeits whatever he would have inherited through the document. Also called a no-contest clause
Intervivos trust	Trust established and effective during the grantor's life and which often remains under the grantor's control until death. Also called a living trust
Intestacy laws	State laws that provide for distribution of the probate assets of a person who dies without leaving a valid will
Intestate	The act of dying without leaving a valid will
Inventory	Complete listing of an estate's assets, which must be filed with the court within a prescribed time following appointment of the estate's executor
Irrevocable trust	Trust which, after it is signed, cannot be revoked, amended, or changed in any way
Issue	All persons descending from a common ancestor, generally meaning a person's children, their children, and so on. Also called lineal descendants
Joint ownership	Form of ownership where two or more persons own the same property, generally in equal shares, with the understanding that upon death of any one, the survivor(s) will own the property. Also called joint tenancy

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Joint tenant	One of the co-owners involved in joint ownership of property
Joint will	A single will signed by two or more persons, usually husband and wife. Since joint wills can produce ambiguity and litigation, they are not recommended
Lapsed gift	Will or trust-created gift that fails because the designated beneficiary is dead and no alternate beneficiary is named. Under some state anti-lapse laws, the lapsed gift may pass to the deceased beneficiary's children
Letter of instruction	Informal letter or other writing by which a person provides helpful information to survivors regarding personal matters, property affairs, and preferences as to funeral and body disposition
Letters of administration	Legal document issued by the court to an administrator authorizing him to act on behalf of the estate of a decedent who left no will
Letters testamentary	Legal document issued by the court to an executor authorizing him to act on behalf of the estate of a decedent who left a will
Residuary beneficiary	Person named in a will or trust to receive any property not specifically left to other beneficiaries
Residuary estate	Property remaining in a decedent's probate estate after distribution of all specific bequests
Revocable	Subject to amendment or revocation
Revocable trust	Trust that may be altered, amended, or revoked by the grantor at any time before his incompetency or death
Right of survivorship	Right of a surviving joint owner (joint tenant) to acquire automatically the whole of the jointly owned property
Self-proving will	Will accompanied by a sworn statement signed by the testator and witnesses affirming its validity
Self-proving will	Will that includes a notarized statement signed by its witnesses, making it easier to later prove the will's authenticity
Separate property	Property owned by a spouse that is not community property
Settlor	Person who establishes a trust
Simultaneous death clause	Clause in a will that provides for disposition of property in the event of uncertainty about the time of death
Small estate	Probate estate that includes property with a value small enough to qualify for simplified transfer procedures
Sole ownership	Ownership of property by one person in a manner that it passes according to the terms of the owner's will
Special needs trust	Trust designed to provide for the supplemental needs of a disabled or mentally ill beneficiary
Specific bequest	Will or trust-created gift that specifically identifies property left to a named beneficiary
Spendthrift clause	Trust provision that prevents assets from being used as collateral for a loan, protecting them from creditors
Spendthrift provision	Provision in a trust that restricts a beneficiary from assigning or pledging his interest in the trust
Spousal share	Portion of the estate that must be inherited by the surviving spouse according to state law
Sprinkling trust	Trust designed to give the trustee discretion to distribute income among beneficiaries
Standby trust	Unfunded living trust that can receive property at a later time
State death tax credit	Credit against federal estate tax for state estate or inheritance taxes paid
Statute of descent and distribution	State law that determines how a person's probate estate will be distributed if there is no will
Stepped-up basis	Taxable value of property on the date of death or alternate valuation date, providing a new basis for tax purposes
Succession	The act of inheriting a decedent's property under state intestacy laws instead of under a will
Successor trustee	Person designated to take over the duties and responsibilities of a trustee upon the trustee's incapacity or death

Term	Definition
Summary probate	Simplified and abbreviated probate transfer procedure for small estates
Taking against the will	Surviving spouse's right to elect a specified share of the deceased spouse's estate instead of the share in the will
Tangible personal property	Personal property that can be touched, moved, or felt, such as furniture, artwork, and jewelry
Taxable estate	Decedent's property subject to federal estate tax
Tenancy by the entirety	Form of joint tenancy available only to spouses where neither spouse can cause a division of the joint property
Tenancy in common	Form of co-ownership where two or more persons own the same property without right of survivorship
Tenants by the entirety	Form of joint ownership between husband and wife, where each owns the entire property with rights of survivorship
Tenants in common	Form of joint ownership where two or more individuals each own a separate and undivided interest in the property
Testamentary	Pertaining to a will
Testamentary trust	Trust created under the terms of a will, effective through probate administration
Testate	Having made a valid will at the time of death
Testator	Person who makes a will
Testimony will	Will made orally before witnesses and later written down. Also known as a nuncupative will
Totten trust	Bank account held in trust for a designated beneficiary, to be inherited upon the owner's death
Transfer-on-death (TOD) designation	Designation of a beneficiary to receive an asset upon the owner's death, without probate
Trust	Legal arrangement where one party holds and manages property for the benefit of another
Trustee	Person or entity responsible for managing and administering the assets held in a trust
Trustor	Person who creates a trust
Undue influence	Persuading a person to sign a legal document in a way that he or she would not have done on their own
Unfunded trust	Trust that is not provided with any property and to which property may later be transferred
Unified credit	Credit against federal gift and estate taxes that can be used to offset or eliminate tax liability
Uniform Anatomical Gift Act	Law permitting the donation of bodies and body parts for science, education, or organ transplantation
Uniform Gifts to Minors Act	Law permitting gifts of certain property to be held in the name of a custodian for the benefit of a minor
Uniform Probate Code (UPC)	Model law that governs probate procedures and administration of estates in some states
Uniform Probate Code (UPC)	Set of laws governing wills, trusts, and probate
Uniform Prudent Investors Act	Law establishing investment guidelines for executors and trustees
Uniform Transfers to Minors Act	Law permitting gifts of any kind of property to be held by a custodian for the benefit of a minor
Will	Legal document that specifies the distribution of a person's property and assets upon death
Witness	Person who observes the signing of a legal document and confirms its authenticity
Wrongful death claim	Legal action brought against a person who is deemed responsible for another person's death