Revocable Trusts vs Irrevocable Trusts

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A trust is considered revocable if the grantor can modify or dissolve it during their lifetime. The grantor usually acts as the trustee of their revocable trust. Since there is no change in the grantor's beneficial enjoyment or legal access to assets placed in a revocable trust, there are no income tax advantages nor protection from legitimate creditors as a result of creating a revocable trust.

An irrevocable trust is just the opposite. The grantor relinquishes all control over the trust after it is created and funded with property and/or money. This can be preferable for tax purposes and protection from creditors. The grantor cannot legally act as trustee, and can never take property or money back unless he names himself as a beneficiary and sets terms for distributions to himself as part of the terms contained in the original trust document.

Note: Technically, for married individuals who create a living trust that includes A/B provisions, they have an irrevocable trust inside their revocable living trust, as the B portion of the A/B trust established at the death of the first spouse is irrevocable.