

HOW TO APPLY FOR AN IRS TAX IDENTIFICATION NUMBER FOR A TRUST (aka an Employer Identification Number - EIN)

Assets belonging to an individual while they are alive use the individual's' Social Security number for income tax reporting. However, once the person dies, a tax identification number (called an Employer Identification Number, or EIN) must be obtained and used for all estate and trust assets. It is no longer appropriate to use the decedent's Social Security number, nor the Social Security number of the Personal Representative (for assets passing through Court) or the Trustee (for assets held in trust).

If the decedent had assets in the name of a revocable trust, that trust becomes irrevocable at the decedent's death and the successor Trustee is the one who needs to apply for the EIN.

If the only asset which had the trust as owner or beneficiary is non-income producing (such as real estate), wait to apply for the EIN until just before the property is rented or sold. As soon as an EIN is issued, the IRS will assume income tax returns will be filed, so it makes sense to wait until the trust has income which requires filing returns.

If the asset was held in the decedent's individual name, without a joint owner or a named beneficiary, it is subject to Probate Court proceedings, and the Personal Representative, although named in the decedent's Will, cannot act in that capacity, including applying for an EIN, until the Court has formally appointed them. **The instructions below apply only for obtaining an EIN for a trust.**

STEPS TO APPLY FOR A TRUST EIN

- 1) The IRS website is available Monday through Friday, 7:00 am through 10:00 pm
- 2) You need to be prepared with the decedent's and Trustee's Social Security numbers (these are requested as part of the application process)
- 3) Go to <https://www.irs.gov> (*do not go to any other website – there is one which begins with gov-irs-ein.co but will charge you for something you can do for free – the commercial website typically comes up above the IRS website*).
- 4) Click on Employer ID Number (EIN)
- 5) Scroll down and click on "Apply for an EIN on-line"
- 6) Scroll down to Step 3 and click on "Apply Online now"
- 7) The next page has some general information and then asks you to click on the box marked "Begin Application"
- 8) The next page asks "What type of legal structure is applying for an EIN?"
 - Since you are applying as Trustee of a trust, click on "trusts" and then "continue"

WHEN ENTERING INFORMATION ON THE APPLICATION, NEVER USE SYMBOLS OR PUNCTUATION or you will get a red error message

- The next page asks you to identify the type of trust – check “irrevocable” and then hit “continue”
- The next page asks whether the responsible party is an individual or an existing business – click on “individual” and hit “continue”
- The next page asks for the name and SS number of the responsible party (whomever is the Trustee) – where it asks if the trust is filing as an estate, leave the box alone, because it is NOT, then click “continue”. Note that, on this page, if the name of the responsible party and the SS number entered do not match, you will get a red error message saying that “the information does not match the IRS records,” which tells you that your entries are already being monitored by the IRS
- The next page asks who is the Trustee of the Trust and, again, you will enter that it is an individual and then click on “continue”
- You will enter the Trustee’s name on the next page and, assuming you are the Trustee, click on the option “I am the grantor, trustee, or a beneficiary having a material interest for this trust” and click on “continue.” If you are not the Trustee, you will have to complete a separate SS-4 form and have it signed by the Trustee before you can apply for the EIN.
- Input the mailing address of the Trustee, remembering not to use any punctuation or spaces in the phone number, then click “continue”
- The next page will ask whether to accept the address as you entered it or whether you will accept the IRS version (usually with abbreviations). Do as you wish with this – click one of the three options and it will bring you to the next page
- You are then asked to “Tell us about the Irrevocable Trust” and you will enter the name of the trust, again, remembering not to use any symbols or punctuation (so, “John W Smith Investment Trust”). The County and State of the address you entered for the Trustee will automatically appear and all you need to add is the date the trust was funded (typically, the month in which the decedent died, or shortly thereafter).
 - ❖ It is critical that you insert the month and year in which you are applying for the EIN – if you erroneously input the date the trust was created by the Donor, which may have been many years ago, you will get a letter from the IRS demanding income tax returns for all of those prior years. Then click on “continue”
- “Tell us more about the Irrevocable Trust” just wants to know if the trust will have any employees, which it will not, so click on “no” and then “continue”
- The next page asks how you would like to receive your letter, with the assigned number and, if you select the first option (“receive letter online”), you will get the number immediately. Click “continue.”
- The next page asks you to review your information carefully, before you click the “submit” button at the bottom of the page. You may wish to print this page for your records, but it is not necessary to do so.

- You should then see the letter from the IRS with the assigned number. Print out the letter and, if possible, save it in your computer. Do not leave the page until you have done at least one of these!

If you discover later that you made an error in the name of the trust, this can be corrected when the trust files its first fiduciary income tax return (IRS Form 1041). On Section F, in the upper one-third of page 1, there is a box that can be checked "Change in trust's name." The correct name of the trust should be used on the form where it says "Name of estate or trust." The EIN/TIN stays the same. Also see page 19 of the instructions for IRS Form 1041. Some people simply apply for another EIN, using the correct trust name.

If you discover later that you made a mistake in the decedent/Grantor's/Donor's Social Security number, it may not be necessary to contact the IRS. So long as you are able to open bank accounts, file estate income tax returns, etc., you may be fine. If a final personal tax return needs to be filed for the decedent, just make sure you use the correct Social Security number on Form 1040.