

When a Michigan revocable family trust becomes irrevocable upon the death of all grantors, [or the trust becomes irrevocable by the terms of the trust] the trustees should not continue using the grantors' Social Security numbers (SSANs) as the federal tax ID for the trust.

Here's a breakdown of why and what they need to do:

- **Revocable vs. Irrevocable Trust:** While the trust was revocable during the grantors' lifetimes, it likely used their SSANs for tax reporting purposes, as the trust's income was essentially treated as the grantors' personal income. However, upon the death of all grantors, the trust becomes a separate legal and tax entity because it can no longer be altered or revoked.
- **Need for an EIN:** As an irrevocable trust, it requires its own federal tax identification number, which is called an Employer Identification Number (EIN). Think of an EIN as a Social Security number for an entity like a trust or estate. It is used by the IRS to identify the trust for tax reporting and other purposes.
- **Applying for an EIN:** The successor trustee(s) will need to apply for an EIN from the Internal Revenue Service (IRS). This can be done in several ways:
 - **Online:** This is generally the fastest method through the IRS website's EIN Assistant tool.
 - **By Mail or Fax:** By completing and submitting Form SS-4, Application for Employer Identification Number. The online method is usually quicker.
- **Information Required for EIN Application:** When applying for the EIN, the trustee will typically need to provide information such as:
 - The legal name of the trust (which usually remains the same even though it's now irrevocable, e.g., "The [Grantors' Names] Family Trust").
 - The name and SSAN of the deceased grantor(s).
 - The name and address of the trustee(s).
 - The type of trust (irrevocable).
 - The reason for applying for the EIN (e.g., the grantor's death caused the trust to become irrevocable).
 - The date the trust was created.
- **Importance of Obtaining an EIN:** It is crucial to obtain the EIN promptly after the trust becomes irrevocable. The trustee will need this number to:
 - Open new bank accounts in the name of the irrevocable trust.
 - Manage and transfer trust assets.

- **File any necessary tax returns for the trust (Form 1041, U.S. Income Tax Return for Estates and Trusts), especially if the trust generates income above a certain threshold (currently \$600 annually).**
- **Report financial transactions related to the trust.**
- **Trust as a Separate Taxpayer: Once the trust becomes irrevocable and obtains an EIN, it is treated as a separate taxpayer for income tax purposes. The income earned by the trust after the grantors' death will be reported under the trust's EIN, and the trust may be required to file its own tax returns.**

In summary, upon the death of all grantors and the resulting irrevocability of the Michigan family trust, the trustees must obtain a new federal tax ID, which will be an EIN from the IRS. They should not continue using the grantors' SSANs. It is advisable for the trustees to consult with an estate planning attorney or a tax professional to ensure they fulfill all their tax obligations correctly during this transition.