



## NAMING A TRUSTEE

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- HONOR** the importance of the decision. Naming a trustee is one of the most significant estate-planning decisions you'll have to make.
- RECOGNIZE** what you are asking the trustee to do. The trustee will be responsible for managing trust assets and making distributions according to your wishes. The trustee also must comply with the rules, regulations, and procedures essential to administering the trust, accounting for the assets, and fulfilling the state and federal tax filing and reporting requirements.
- KNOW** your options. You could have a family member, friend, or business associate serve as the trustee. Alternatively, you could designate a professional trustee, like a bank, trust company, financial advisor, or other objective professional, to serve as the trustee. You may also be able to name co-trustees.
- APPROXIMATE** the amount and complexity of trust assets and how long you expect the trust to last. Trusts designed to benefit future generations have longevity that may best be matched by a corporate trustee.
- KNOW** the costs. Professional trustees are typically paid a percentage of assets managed, which may make them cost prohibitive for smaller (less than \$50,000) trusts. Personal trustees may be entitled to payment for their services; however, many waive the right to compensation.
- CONSIDER** the skills required to fulfill the obligations. Look for trustees who are financially astute, accessible, and process-oriented.
- GAUGE** whether the prospective trustee may objectively carry out the duties. The trustee will have to treat all of your beneficiaries impartially, which is why professional trustees are sometimes worthwhile options for families with complicated or strained relationships.
- INCLUDE** language that enables you or your heirs to change trustees.
- ACKNOWLEDGE** that conflicts may arise among family members or co-trustees, and allow for a mechanism to mediate or arbitrate disputes.