

CHOOSING A SUCCESSOR TRUSTEE

One of the key elements in creating a trust is establishing trustees and successor trustees. Those who create the trust, called grantors, trustors, or settlors, will generally serve as trustees during their lifetimes. In the event of their incapacity or death, the trust falls to the successor trustee. Simply put, the responsibilities of successor trustees include managing, investing and disposing of the trust assets.

Oftentimes, however, the trust may be more complex than meets the eye. Whomever you choose as successor trustee must have the knowledge and time to devote to these difficult situations. The successor trustee can be an individual, bank, trust company or an attorney. Corporate successor trustees, such as banks, are held to a higher standard of governance than individuals. You can be assured of greater safety for your trust assets because they are federally regulated and, therefore, subject to external oversight. In choosing an individual successor trustee, several things should be considered:

- Will they be fair and equitable with your trust assets?
- Can they be impartial to the beneficiaries? In other words, if you decide to appoint one of your children, can they be fair amongst the other siblings, and will the other siblings respect their judgment?
- Are they fair and trustworthy enough to handle your assets, which may include large sums of available cash?
- Will your successor trustee be loyal to you if you become disabled and loyal to your beneficiaries after you die? They must protect all interests during the course of administration of the trust.

Since this is a very personal decision, there is no right answer. There are, however, advantages and disadvantages to each type of trustee. You should consult your estate planning attorney who can help guide you through the process.

(Article by Jane Nugent, Vice President and Senior Personal Banker,
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