

## Choosing a Successor Trustee

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### *The basic qualities of a good successor trustee are integrity, good judgment and objectivity*

When you create a Revocable Living Trust, you should choose someone trustworthy to assume the role of a “successor trustee,” the person who manages your trust and its assets after you pass away or become incapacitated. Making this decision is not as simple as picking a favorite aunt or an eldest child, and this article is offered as general guidance in choosing the right person.

#### **ROLE OF A SUCCESSOR TRUSTEE**

Your successor trustee manages your trust’s assets in the best interests of the beneficiaries (including you, in the event of incapacitation) and decides how assets are invested or utilized, within the parameters that are set forth in your trust.

Typically, this role is often assigned to a spouse or other relative, close friend, trusted business associate, professional advisor or corporate fiduciary. You have the option of selected a primary trustee and an alternate, or choosing co-trustees who act together in managing your trust.

You want to know that the person you choose is responsible and will carry out your wishes, exercise sound judgment, make good decisions and, when necessary, seek professional advice on managing your trust.

#### **KEEPING IT IN THE FAMILY**

A relative can be a fine choice as successor trustee if he or she:

- is competent to handle finances and will follow the trust’s instructions;
- has the time and interest to take on the role; and
- will avoid family conflict by being unbiased and unemotional when making decisions.

#### **CORPORATE FIDUCIARIES**

Some revocable living trusts are complex or may be designed to benefit heirs for many years to come. If you anticipate that your trust will endure for many years or multiple generations, it might be to everyone’s benefit for you to choose a trust company or bank to serve as your successor trustee. Those institutions are equipped to provide long-term administration, and they generally offer high levels of accountability and oversight. In addition, corporate fiduciaries:

August 29, 2012

PAGE 2

- don't die or become incapacitated;
- act objectively in following your instructions contained in the trust; and
- keep detailed records and have estate administration, tax and investment expertise.

## **PROFESSIONAL ADVISORS**

Sometimes a professional who is familiar with your estate plan is a good choice, as long as there is no conflict of interest. That professional could be your financial advisor, estate planning attorney, tax professional or a combination. Regardless of whom you choose, the basic qualities of a good successor trustee remain the same: integrity, good judgment and objectivity.

If you have a question or concern about your choice of successor trustees, you are invited to contact Ron Adams at 480-345-8845.

Adapted from the Daily Plan-It newsletter.

Hoopes, Adams & Alexander, PLC, is a Chandler, Arizona, law firm offering services to Phoenix-area clients in the areas of estate planning, entity formation, commercial and real estate transactions, and civil litigation.