

# Whom Should You Choose as A Trustee?

When drawing up your estate plans, you might find it useful to create a revocable or irrevocable trust, either of which can help your estate avoid probate court and give you significant control over how and when your assets are distributed. But who should oversee your trust?

As the person who established the trust — known as the “grantor” or “settlor” — you can also name yourself as trustee. However, this may not be the best move, particularly if the trust is irrevocable. An irrevocable trust protects the assets in the trust from creditors and civil judgments, but if you serve as trustee, this protection will disappear. It might be more advantageous for you to be the trustee of a revocable (living) trust, which can be modified without much trouble and allows you to move assets in and out of the trust and to change trust beneficiaries. You should work with a qualified estate-planning attorney to determine which type of trust, if any, is appropriate for your situation, and to get some guidance on the wisdom of serving as your own trustee.

If you decide to choose someone else as trustee, you’ll want to consider the following factors:

- *Trust* – In thinking about whom you might want to serve as your trustee, the most important attribute is trust. Do you trust that this individual will always act in your best interest? If so, then they may be a good trustee candidate, but you’ll also need to look at other considerations.

- *Financial management skills* – The person you choose to be your trustee doesn’t have to be an accountant or a financial professional — but they should be skilled at managing their own finances. And they should be well-organized and good with details.

- *Mental and physical fitness* – Your trustee could serve in that position for many years, so you’ll want to name someone who is in good physical and mental health. Of course, things can change over time, so if you observe that your chosen trustee has begun to suffer physical or mental decline, you may need to name a successor trustee in your trust document.

- *Conflict of interest* – You want your trustee to carry out your wishes in a fair manner — so, you should pick someone who doesn’t have a conflict of interest with any of the beneficiaries you’ve named in your trust. Of course, this can be tricky if you want to name a family member as trustee. So, if you do, you’ll need to spell out your wishes clearly — to the trustee and to other family members.

Here’s something else to think about: Instead of choosing an individual, you could name a corporate trustee. By doing so, you can receive some key benefits, such as objectivity and potentially avoiding some of the family-related disputes that can arise when an estate is settled. Also, corporate trustees have the expertise and resources to navigate the various tax and inheritance laws affecting living trusts.

Whether it’s a trusted individual or a corporate entity, the right trustee can make a big difference in the effectiveness of your living trust — and, by extension, the outcome of your comprehensive estate plans. So, start your search, get the help you need and take the steps necessary to arrive at a choice for trustee that’s right for you and your family.

*This article was written by Edward Jones for use by your local Edward Jones Financial Advisor. Edward Jones, Member SIPC.*