



How to Choose a Trustee

A trust is a legal arrangement where a “trustee” holds legal title to property for another person, called the “beneficiary”. When you create a trust, regardless of the type of trust, you will need to appoint a separate person or institution to be the trustee.

The type of trust you create will determine if your trustee is needed now or in the future. For example, the creator of a revocable living remains the trustee and in control of the trust. The trust document will specify who was named as successor trustee, and that person will assume the role of trustee upon the death or incapacity of the creator. Other trusts -- such as an irrevocable trust or special needs trust -- may have a separate trustee from the start.

A trustee has the duty to manage the trust in beneficiary’s best interest and should be someone who is able to manage the trust for an extended period of time. Other duties include paying bills, keeping accounts, and preparing tax returns. The trustee doesn’t need legal or financial expertise, but he or she must have good judgment. In the case of a special need trust, the trustee should have knowledge of federal benefit programs.

The law isn’t very strict about who may serve as your trustee. A person can be a trustee if they are legally competent, meaning is at least 18 years of age, can manage their own affairs, and is of sound mind and body. Your main concern in selecting a trustee is appointing someone trustworthy.

If you don’t know a family member or friend who meets these qualifications, you can hire an independent trustee. This can be an individual or institution, with no beneficial interest in the trust, like a bank, trust company, professional trustee, an accountant, or a lawyer. A professional trustee will usually have experience and expertise in managing trusts, but they will also charge a fee, which is usually a percentage of the trust. Another option would be appointment a family member or friend and an independent trustee as co-trustees.

It is important to re-evaluate your choice of trustee ever few years. The person who is right today may not be right tomorrow. Your attorney and help you determine who is the best trustee for you and your particular trust.

Choosing the right trustee is crucial to making sure your wishes are carried out. The choice is important because being a trustee can be a difficult job.

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