

BENEFITING FROM A CORPORATE TRUSTEE

Learn why a corporate trustee may be a better choice than an individual trustee



Managing a trust and eventually settling an estate is a complex and time-consuming responsibility that requires someone with the right expertise, capable of handling and executing an extensive and delicate process.



In addition to the broader responsibilities associated with managing a trust, there are countless tasks and liabilities that are often best managed by a corporate trustee who can deliver consistent administration across the life of the trust.



A corporate trustee can provide immediate and continuing access to a team of qualified professionals who specialize in estates and trusts, and that coordinate the entire complex process while keeping your legacy intact.

RAYMOND JAMES®

INTRODUCTION

When establishing a trust, one of the most important decisions you will need to make is who to select as the trustee. While choosing yourself, a family member or even a friend is an option, there are countless reasons why choosing a corporate trustee is a wiser choice.

First, managing a trust and eventually settling an estate is a complex and time-consuming responsibility that requires someone with the right expertise, capable of handling and executing an extensive and delicate process. The following pages provide an overview of the details to consider when appointing a trustee for your estate. Keep in mind that often an individual trustee will fall short of the expertise necessary to support and manage a trust – an important consideration when it comes to loved ones and their security.

BENEFITS, IN GENERAL, YOU CAN EXPECT WHEN WORKING WITH A CORPORATE TRUSTEE:

Greater time management

Better resources, staff and technology to manage a trust

Expert knowledge on trust structure, investment direction and accounting

Focused independence – less risk of personal distractions

RESPONSIBILITIES OF A TRUSTEE

Trustees are obligated to act in the best interests of both current and future trust beneficiaries – an often complex and time-consuming responsibility. They also must comply with specific trust document provisions as well as state and federal governing laws. Any breach of those fiduciary duties could result in personal liability. Given the significant implications of naming a trustee, you may wish to consider a corporate entity over a family member or personal contact.

In addition to the broader responsibilities associated with managing a trust, there are countless tasks and liabilities that are often best managed by a corporate trustee who can deliver consistent administration across the life of the trust. Here is a quick summary of responsibilities that should be expected by any trustee:

- ▶ Review the trust document and its provisions
- ▶ Meet with grantor and/or beneficiaries at certain intervals to reevaluate the purpose and performance of the trust
- ▶ Implement necessary changes
- ▶ Disburse trust income and/or principal to beneficiaries as appropriate
- ▶ Pay bills and expenses of grantor or beneficiaries as appropriate
- ▶ Make tax decisions concerning the trust
- ▶ Issue tax reports to beneficiaries and file the trust's income tax returns
- ▶ Ensure trust provisions are followed and defend trust against challenges
- ▶ Maintain records of all transactions and collect income and dividends
- ▶ Issue regular statements of account to the grantor and/or beneficiaries



FOUR KEY ATTRIBUTES OF A CORPORATE TRUSTEE

1 ► **KNOWLEDGE**

Generally, corporate trustees have more knowledge than an individual would on all aspects of trust administration.

2 ► **TIME**

Corporate trustees have the time to manage your trust, whereas an individual with a family and full-time employment may not be able to dedicate the appropriate time.

3 ► **RESOURCES**

Corporate trustees have the resources and ability needed to manage a trust, including details like managing distributions, filing tax returns and maintaining records.

4 ► **EXPERIENCE**

Corporate trustees have the experience and expertise to manage a trust.

COORDINATING THE SETTLEMENT OF THE ESTATE

A corporate trustee can provide immediate and continuing access to a team of qualified professionals who specialize in estates and trusts, and that coordinate the entire complex process while keeping your legacy intact.

The coordination process can be challenging, and a corporate trustee should be expected to coordinate efforts in all of these areas and settle the estate as promptly and efficiently as the law allows, at the lowest possible cost.





Knowledgeable?



Honest?



Objective?

**Add a
Co-Trustee?**

WHAT TO CONSIDER IF CHOOSING AN INDIVIDUAL TRUSTEE

If selecting an individual trustee is most important to you, give your choice careful consideration. It must be someone that you can count on to interact well with other members of your personal financial team and family.

Keep in mind too that without the proper blend of talent, the individual trustee may need to hire additional expert talent not initially planned for, ultimately costing the estate more money. Worse, if the trustee tries to go at it alone, not admitting he or she doesn't know how to handle a certain issue could lead to even more costly mistakes that may result in additional court and tax fees.

Also, while this seems to go without saying, surprisingly, families carrying out estate plan objectives often encounter conflict with an individual trustee due to mismatched temperament. Select an individual who tackles any problem or task with the same work ethic as you. An effective trustee must also be objective and honest. That is imperative when dealing with such important decisions that affect your loved ones' financial future and your legacy.

With such important qualities, it may be challenging to find a fully capable individual to act as your trustee. If that's the case, you may want to consider using the support of a corporate trustee as a co-trustee to the individual contact you selected. As a co-trustee, such as Raymond James Trust, you can have more comfort with the additional corporate insight to ensure your estate and family receive the best possible service and distribution results.

PEACE OF MIND

Everyone wants the peace of mind that comes from knowing their assets are protected and will be efficiently transferred to their heirs while minimizing costs and taxes. As a result, the most prudent course, generally, is to choose an independent trust company, preferably one that is highly skilled at dealing with the intricacies of trusts – like Raymond James Trust.

BACKGROUND

Raymond James Trust is a wholly owned subsidiary of Raymond James Financial, Inc. (NYSE-RJF), which provides financial services to individuals, corporations and municipalities. Many financial institutions merge, consolidate or just plain disappear, but you can count on Raymond James' stability, experience and commitment to service to endure.

Raymond James Trust began in 1991 as the Raymond James Trust Company in St. Petersburg, Florida. Over the years, the company has grown to manage more than \$3.2 billion in assets for clients in most of the 50 states.

Under its national charter, Raymond James Trust may act as trustee, custodian, personal representative, agent to the trustee or personal representative in a wide variety of trust and estate situations throughout the United States.

RAYMOND JAMES TRUST
MANAGES MORE THAN

**\$3.2 billion
in assets**



IN THE END

Clearly there are a number of factors to consider and be aware of when choosing between an individual trustee and a corporate trustee. While clients may think keeping the trust “close to the family” is in their best interest, clients should also think about impartiality. When selecting an individual trustee, clients open themselves up to family bias and influence surrounding very sensitive matters. A corporate trustee may help to relieve some of that pressure.

When asked why a corporate trustee should be selected over a personal contact, Shavarne Dahlquist, the fiduciary consultant of Raymond James Trust, says, “Most people generally think of choosing their close family and friends, but in a lot of circumstances, the task can be overwhelming or a burden. In order to be successful, the trustee should really have the three T’s – time, temperament and tenure – which we’ve been fortunate enough to develop at Raymond James Trust.”

By choosing a corporate trustee, you can help ensure that current and future generations benefit from the expertise and administrative consistency that a well-established firm can offer.

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SHAVARNE DAHLQUIST
*Fiduciary Consultant
Raymond James Trust*

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