

## **Aging Happens: Four tips to help select your successor trustee**

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It's great when people have made arrangements for their estate planning by setting up a will or a trust. Most people understand the importance of having these legal documents in place and reviewed with some regularity. However, recently a client was surprised to discover that the trust department she selected as her successor trustee was not actually willing to serve in that capacity, now that it was time for them to step up.

Let's look at this more closely, since it might encourage you to review your own documents.

If you have a revocable living trust, you probably named yourself as trustee so you can continue to manage your own financial affairs. Eventually, someone will need to step in for you when you are no longer able to act, due to incapacity or after your death. The successor trustee has a lot of responsibility, and should be chosen carefully. They can be your adult children, other relatives, a trusted friend, or a corporate (bank trust department or trust company), or professional trustee. They should be people you know and trust, whose judgment you respect, and who will also respect your wishes. It isn't necessary for the successor trustee to know exactly what to do and when, because your attorney, CPA, and other advisors can help guide them.

This is how it's set up to work. If you become incapacitated, your successor will step in and take full control of your finances by paying bills and making all financial decisions. After you die, your successor acts just like an executor would, by taking an inventory of your assets, paying your final bills, selling assets if necessary, having your final tax returns prepared, and distributing your assets according to the instructions in your trust. This is a huge amount of work and can take a year or more to complete in many cases.

Here's what happened to this client. Due to medical incapacity, it was time for her successor trustee to step in and take over the management of her finances. She had appointed the trust department of a bank many years ago. When notified that it was time to assume this role as successor, the trust officers needed to review her finances again. The corporate headquarters decided that her assets were no longer within the guidelines they could manage. Due to the fees associated with their services, they felt this would cause a serious impact on her remaining assets, and therefore declined the position as successor.

She had no idea that this could happen, as she had assumed, as most people would, that a trust department will always handle your affairs if they accept the initial appointment. This is not always how things work out, for just this sort of reason. Without close family or friends to handle this important task, she was faced with locating a professional fiduciary or organization who would accept the position as her successor. This was not as easy for her to find as you might think.

Locally, we have a few options for trust departments that might be willing to serve as either your co-trustee and/or successor trustee. They are: Oregon Pacific Bank Medford Trust Office ([www.opbc.com](http://www.opbc.com));

541-858-0191); US Bank: The Private Client Group (<https://reserve.usbank.com/services/personal-trust>; 541-776-2537); and firms such as Edward Jones ([www.edwardjones.com](http://www.edwardjones.com); there are four representatives in Ashland you can locate on this site). As mentioned above, you might also ask your attorney, CPA or other financial advisors for additional recommendations. For this client, it's looking like a trust company will be taking on this role as her successor trustee.

When initially choosing a successor, here are some tips to keep in mind:

- The type and amount of assets in your trust and the complexity of your trust document;
- The qualifications of your candidates, including personalities, financial or business experience, and time available due to their own family or career demands;
- Ask the people you are considering if they would want this responsibility. Don't just assume they want to do this; and
- Trustees should be paid for their work; your trust document should provide for fair and reasonable compensation.

If you have taken all these steps, there is an excellent chance all will work out. However, if like this client, you find yourself without a successor who's willing to serve, now you have some resources to explore. Please remember that just because someone is a family member and wants to help out, they might be over their heads in this very important role. Your planning can include not burdening them with more than is appropriate for them to handle. Fortunately, we have a range of local professionals willing and able to support you, if needed.