



Benefits of a Corporate Trustee

Professional Management for a Lasting Legacy

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One of the most important decisions in your estate plan is choosing a trustee. This individual or entity will be responsible for managing your assets and carrying out your wishes for your beneficiaries. While many people default to naming a family member or friend, appointing a corporate trustee is a powerful alternative that many people consider.

What is a Corporate Trustee?

A corporate trustee is a professional financial institution, such as a bank or trust company, with a specialized department dedicated to managing trusts. This option provides a unique set of benefits that can offer security and peace of mind for you and your family.

A corporate trustee is a neutral third party, free from conflicts within families.

Benefits of a Corporate Trustee

A corporate trustee provides several key benefits, including:

Unbiased Objectivity

A corporate trustee is a neutral third party, free from the emotional conflicts and complex dynamics that can arise within families. Their decisions are based solely on the terms of your trust and the best interests of the beneficiaries, ensuring fairness and preventing family disputes.

Professional Expertise

Corporate trustees bring a team of specialists to the table. This can include experts in investment management, tax law, property management, and fiduciary accounting. This deep knowledge is crucial for preserving and growing the trust's assets while navigating complex legal and financial requirements.

Continuity and Permanence

An individual trustee may become ill, pass away, or simply become unable to manage the responsibilities. A corporate trustee, as an institution, offers uninterrupted management for the entire life of the trust, which is especially important for trusts designed to last for generations.

Regulatory Oversight and Security

Corporate trustees are regulated by state and federal agencies and are held to the highest fiduciary standards. They are regularly audited and carry insurance, which provides a significant layer of protection for the trust's assets that an individual trustee cannot offer.

Administrative Efficiency

Managing a trust involves meticulous record-keeping, filing annual tax returns, issuing statements to beneficiaries, and managing distributions. Corporate trustees have sophisticated systems and dedicated staff to handle these administrative burdens efficiently and accurately.

Corporate Trustee Considerations

While the advantages of a corporate trustee are compelling, it is also important to consider the following:

Cost

Corporate trustees charge a fee for their services, typically calculated as a small percentage of the assets under management. While an individual may serve for free, they often need to hire the same experts (accountants, lawyers, investment advisors) at the trust's expense.

Personal Touch

A corporate trustee typically does not have the personal relationship with your beneficiaries that a family member would. However, they are skilled at working with families and can be paired with a family member or other trusted advisor to combine professional management with personal insights. BakerAvenue's model does exactly that by ensuring you have an independent corporate trustee appointed while your trusted advisor team continues to manage the assets and coordinate all communication with you and your beneficiaries.

Flexibility

Corporate trustees must adhere strictly to the terms outlined in your trust document. This ensures your wishes are followed precisely but can sometimes feel less flexible than an individual trustee who might bend the rules based on personal judgement.

Corporate or Individual?

Choosing a trustee is not about finding the easiest option, but the most effective one for your particular situation. For some clients, a corporate trustee provides a level of professionalism, security, and impartiality that can be difficult for an individual to match.

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As a purpose-driven firm, our goal is to create an impact while supporting you and the community we share. We do so by delivering intelligent wealth management solutions while fostering long-term value creation. What drives us are our values of excellence, trust, and community, and we take a holistic approach to align your portfolio with your values.

Our firm is committed to continually elevating our practices. While as fiduciaries it is our mission to protect your interests ahead of our own, it is our dedication to purpose, passion, and performance that drives our innovative approach.



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As BakerAvenue's Director of Estate Planning, Simon Mayali works with clients to identify their estate planning goals and options and helps them understand the complexities of estate and gift taxation. He began his career as an attorney in Chicago, where he developed a passion for helping clients plan for the future and navigate the intricacies of estate administration. He later obtained his LL.M in taxation with a focus on estate planning in order to work with clients on complex estate and gift tax issues.

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