

## Benefits of Working with a Corporate Trustee



Navigating today's financial world is an increasingly complex task. Federal and state laws relating to income, investment and estate taxes change frequently. Legal issues can arise with many types of transactions. Those who own businesses deal with even more complexity and the issues tend to become magnified as wealth accumulates.

As financial circumstances become more sophisticated, the value of professional guidance may become more important. Estate planning takes on a more central role in your overall financial strategy as you accumulate wealth. One effective way to manage your legacy may be to establish trusts, which are drafted by an attorney and require the naming of a trustee to oversee many or all aspects of trust administration.

In today's complex environment, the role of a trustee can be burdensome. Family members or other advisors may be considered for the role, but the task can be time consuming and demanding. In some cases, it may require a level of financial and trust administration expertise that could test the limits of an individual's time and capabilities. With wealth and a legacy at stake, careful consideration should be given to the person or entity appointed to handle this responsibility.

In many situations, a corporate trustee may be a more prudent choice to effectively administer the trust. A corporate trustee offers experienced and knowledgeable professionals who deal with trusts as part of their day-to-day responsibilities and can provide the level of expertise required to ensure that the wishes of the grantor are carried out in the most effective way possible. A corporate trustee is well positioned to stay abreast of changes in the economic environment and tax and estate laws that may have an impact on the trust.

### Why Name a Corporate Trustee Instead of an Individual

While there may appear to be strong rationale for choosing a family member to be a trustee, hiring a corporate trustee may be the wiser decision. A corporate trustee brings objectivity, experience, and expertise at a time that is often wrought with emotion. This influence is especially helpful if family relations are strained. A corporate trustee will remain neutral in the face of family disagreements. That is why trust and estate professionals frequently recommend hiring corporate trustees rather than naming family members. Avoiding fees is frequently the primary reason for naming a family member or family friend as trustee. However, individual trustees must often hire other professionals to assist them in carrying out their obligations as trustee, which may eliminate any expected cost savings. Naming a corporate trustee could very well provide you with much greater value than the fee charged.

### Several Advantages of Using a Corporate Trustee Such as Comerica Trust Include:

**Accountability:** Record keeping systems exist for timely and accurate accounting of principal and income as well as production of regular account statements.

**Collective Thinking:** Informed opinions can be voiced, and decisions are made by knowledgeable and experienced professionals.

**Confidentiality:** Privacy is maintained, and matters are treated with confidence.

**Experience:** Knowledgeable, experienced professionals on staff that are well-versed in complex trust management.

**Focus:** Available to devote attention and resources to achieving the results required of a trustee.

**Impartiality:** Decisions are made objectively in an unbiased atmosphere.

## Benefits of Working with a Corporate Trustee



**Permanence:** Perpetual existence of a capable, professional organization that is ready to complete the trust tasks required for decades going forward. Corporate trustees always have a backup; they don't become ill or die.

**Regulation:** Strict compliance with standards set by State and/or Federal regulatory agencies, as well as audits conducted by an independent auditor at least annually.

**Responsibility:** Required by law to faithfully perform all its duties and follow the terms of the trust document.

**Value:** Specialization in trust administration provides services in an efficient, cost-effective manner for reasonable fees.

### Challenges for an Individual Serving as Trustee

A trustee's responsibilities can represent a significant burden for an individual, particularly one who is not a full-time professional trustee. This is especially true when the trust includes complex provisions or changes in applicable laws occur that may have an impact on trust administration.

An additional challenge for any individual trustee is dealing with controversial and/or sensitive family issues that may arise relating to the administration of the trust. A corporate trustee is often in a better position to objectively carry out the trustee's responsibilities. When family members are placed in the position of trustee, they can be influenced by emotions, personal agendas and family conflicts. They may face pressure from family members about the decisions they are required to make and duties they are directed to carry out as trustee. At times,

family member trustees may have conflicts of interest with the grantor or beneficiaries that could influence their decisions and leave them subject to criticism and potential legal action.

### Why Comerica

For these reasons, the role of trustee is best left to a corporate trustee with deep experience in administration and oversight. A corporate trustee offers a range of services that can potentially ensure a smooth trust administration process over time, helping to meet the objectives of the grantor of the trust.

Today's financial landscape includes potential obstacles that can make it challenging for individuals to determine the best path to meet the trust's financial objectives. As financial circumstances become more complex, the value of professional guidance becomes even more important.

Comerica Trust is positioned to offer the professional fiduciary guidance you may need, whether it be as your trustee or agent. We believe that our long-term commitment to the highest fiduciary standards is the best way to meet the expectations of the clients we serve.

### Want to Know More?

Want to know more about this topic or any other, Comerica welcomes the opportunity to help.

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