

TOP TEN TIPS TO AVOID TRUST DISASTERS

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1. Be involved with the preparation of the Trust to make sure it provides the Trustee with clear guidance and sufficient protection.
2. If Trustee fees are not expressly stated in the Trust, obtain consent of all Trust beneficiaries or Court approval of your fees.
3. When the first spouse dies, make sure you properly handle the allocation and division of assets and portability of the deceased spouse's estate tax exemption.
4. Be aware of all of the statutory requirements resulting from any settlor's death, including applicable statutes of limitations stemming from the notice provisions.
5. Avoid acting as a co-trustee - you will be liable for the actions of the other trustee.
6. Make sure that all investments follow the Uniform Prudent Investor Act.
7. Make sure that you are investing for the benefit of all Trust beneficiaries - both the income and remainder beneficiaries.
8. Keep the beneficiaries informed about everything; if you are concerned about any specific action, seek Court approval at the Trust's expense.
9. If any beneficiary questions your actions or if the Trust is unclear, seek Court approval at the Trust's expense.
10. If all else fails, get Court approval of everything you have done and then get out - you don't have to be a Trustee!