

CHOOSING A TRUSTEE

	MAY BE APPROPRIATE WHEN ...	PROS	CONS
Individual trustee (family member or friend)	<ul style="list-style-type: none"> Trustee is knowledgeable about investments, taxes, trust administration, etc., and has access to experts when necessary Trustee has sufficient time and does not consider trust administration and risk a burden There is a fairly simple family situation, as well as assets and trust terms The trust does not require an "independent trustee" based on its type or terms 	<ul style="list-style-type: none"> Trustee is generally closer to the family May be less expensive Offers more privacy Maintains family control 	<ul style="list-style-type: none"> Less expertise/greater chance of improper administration and potential liability Individual may not be objective Burden on named trustee (time and potential liability) May be more expensive if delegating functions to other experts
Corporate trustee (such as Fidelity Personal Trust Company, FSB)	<ul style="list-style-type: none"> The type of trust or its terms will require an "independent trustee" The family situation, assets, and trust terms may be more complex The grantor does not want to burden family members or friends (time and potential liability) 	<ul style="list-style-type: none"> Objectivity Responsible party Expertise One-stop shopping (administration, recordkeeping, taxes) Continuity of administration 	<ul style="list-style-type: none"> Lack of privacy Involves a non-family member in personal, financial matters May be more expensive
Individual trustee with assistance from a corporate trustee (commonly known as an agent for the trustee)	<ul style="list-style-type: none"> The family does not want to give up control but lacks expertise or easy access Duties start to become a burden for the individual trustee (time and potential liability) The trust turns out to be more complicated or time-consuming than originally thought 	<ul style="list-style-type: none"> Expertise without giving up control Less of a burden on the individual trustee Mitigates risk for the trustee Easy to remove/replace agent 	<ul style="list-style-type: none"> Trustee still has risk and potential liability Trustee is responsible for agent selection and oversight Cost savings may be negligible compared with corporate trustee