

## **What Does a Successor Trustee Do?**

I frequently get asked by clients what does a Successor Trustee do? Although there is no one set of items every trustee is responsible for, there are some common denominators. The reason not all trustees will be required to do the same tasks is because each estate is different. This could be due to the type of assets, the ages of the beneficiaries, or due to the instructions the Grantors left in the trust itself.

However, there are some things that nearly all Successor Trustees will likely be doing in their Trusted capacity. Here are some of those items (although this list is certainly not exhaustive):

1. Notifying trust beneficiaries and heirs at law of the death of the Grantor;
2. Obtaining an IRS Tax ID Number for the trust;
3. Filing a final income tax return for the decedent;
4. Possibly filing a death tax return;
5. Filing a trust income tax return annually for as long as the trust is held open;
6. Publishing a legal notice in a local newspaper regarding the death of the Grantor of the trust;
7. Marshalling all of the assets together and protecting the trust assets;
8. Opening a bank account for the trust;
9. Paying financial and last expenses of the decedent;
10. Collecting life insurance policy proceeds;
11. Determining if a formal probate needs to be opened with the court for any assets not titled in the trust;
12. Notifying all banks and financial institutions of the death and that they are the nominated Successor Trustee;
13. Notifying the V.A. (if applicable) and Department of Health Services of the death;
14. Determining Beneficiary status of all the decedent's retirement accounts. For most 401Ks and IRAs, a stretch out is available for the beneficiary if the proper steps are taken.

15. Obtaining valuations on all property as of the date of death of the decedent including real estate and business interests;

16. Determining if an estate tax is due at the federal or state level on the decedent's Estate;

17. Paying off all of the debts of the Grantor of the trust from the assets of the trust;

18. Paying ongoing expenses of trust administration such as legal and CPA expenses, etc.;

19. Liquidating assets where necessary to pay off the debts of the Grantor;

20. Investing assets of the trust in a safe and prudent manner during trust administration;

21. Distributing the trust assets to the beneficiaries after all of the above has been completed.