

COMPARING TYPES OF TRUSTEES

TRUSTEE TYPES	PROS	CONS
CORPORATE	<ul style="list-style-type: none"> • Impartiality & Objectivity: Corporate trustees administer trusts without emotional bias, ensuring decisions are rule-based and equitable across beneficiaries. • Expertise & Resources: They possess in-house specialists (legal, investment, tax) capable of managing complex assets, filing tax returns, and complying with trust laws. • Continuity: As perpetual entities, they remain unaffected by death, illness, or incapacity, ensuring uninterrupted trust administration. • Fiduciary Oversight & Liability: They are regulated and insured, offering added protection and reducing personal liability concerns; plus, an impartial third party can help preserve family harmony. 	<ul style="list-style-type: none"> • Higher Fees: Corporate trustees generally charge a percentage of trust assets annually, which may reduce overall returns, especially for smaller trusts. • Limited Flexibility: Their standardized policies may inhibit nuanced decision-making or creative problem-solving. • Lack of Personal Touch: Beneficiaries may find institutional trustees impersonal and unfamiliar with family history or relational dynamics. • Potential Conflicts: Some institutions may promote proprietary investment products, creating possible conflicts of interest.
FAMILY MEMBER	<ul style="list-style-type: none"> • Deep Family Insight: A relative likely understands nuanced family values, interpersonal issues, and the grantor's intentions. • Lower or No Fees: Family members often serve without compensation, preserving more trust assets for beneficiaries. • Accessibility and Responsiveness: They are usually more available for immediate decisions and can address family emergencies personally. 	<ul style="list-style-type: none"> • Risk of Bias & Conflict: Emotional involvement can lead to favoritism, disputes, or even accusations of self-dealing, which may damage family relationships. • Insufficient Expertise: Without professional training or resources, they may struggle with investment decisions, tax compliance, and complex legal duties. • Continuity Issues: Personal circumstances (health, relocation, death) may force replacements or court intervention if successors aren't designated. • Legal Exposure: They bear personal liability and must understand their duty of loyalty, recording requirements, and administrative responsibilities.
HYBRID OPTIONS	<ul style="list-style-type: none"> • Co-trustee Structure: You can combine strengths by pairing a family trustee with a corporate co-trustee, balancing personal insight with professional oversight. 	<ul style="list-style-type: none"> • Successor Trustee Arrangement: Name a trusted family member as initial trustee, with a corporate trustee stepping in later if needed.