

Duties of a Successor Trustee – Revocable Trusts

Many people create revocable trusts as estate planning tools. They may enhance efficiency and convenience in the estate planning process. Also, when properly done, a revocable trust may be a comprehensive estate planning tool. A carefully drafted (and funded) revocable trust can, in many cases, eliminate the need for a probate proceeding.

Often, the settlor of a revocable trust serves as the initial trustee. A successor trustee is necessary either at the time of the current trustee's death, incapacity or at a time when the trustee simply no longer desires to serve. Once a trust is created, the trustee and eventually the successor trustee are faced with a number of responsibilities. Examples include:

- Ascertain, gather and value all trust assets
- Assume responsibility for all trust-owned assets including:
 - Real estate (wherever it might be located)
 - Oil, gas and other royalty interests
 - Farm and livestock
 - Vehicles (updating registration and obtaining insurance)
 - Insurance, securities, retirement benefits, etc.
 - Closely held business interests
- Interpret the terms of the trust regarding asset and investment management
- Complete any required filings with the court
- Invest, collect and disburse all trust assets according to the terms of the trust
- Interpret the terms of the trust regarding beneficiaries' interests, rights and authority
- Make appropriate distributions to beneficiaries
- Answer questions posed by the trust beneficiaries
- File income tax returns for the trust (when necessary)
- Provide notification to beneficiaries as required by controlling state law
- If the successor trustee is serving due to the death of a previous trustee, the successor trustee may be required to file estate tax and inheritance tax returns and may possibly be responsible for filing personal income tax returns for the trust creator

Contact Baird Trust Today

The duties to a successor trustee for a revocable trust may be daunting, particularly to those not used to handling these types of responsibilities. A corporate trustee, such as Baird Trust, conducts these responsibilities on a daily basis.

We would appreciate the opportunity to discuss our services with you.

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