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FOR ATTORNEYS, RETIRING CAN BE TRICKIER THAN YOU THOUGHT

LESSONS LEARNED FROM PERSONAL TRUSTEES AND HOW THEY RETIRED WITH MINIMAL IMPACT TO THEIR CLIENTS

Over the past few months, we have had several calls from attorneys who are serving as the personal trustee for their clients' trusts but are nearing retirement age and are therefore in the process of finding a transition or succession plan. Finding a successor can be a complex challenge. Matching the right cultural fit, "trusted advisor" mentality and transition timeline is a daunting task. Add to that, trends from law firms themselves. One attorney shared that his law firm no longer wants the liability of their partners serving as trustee because it drives up their insurance costs.

For these reasons, many have found their lead option to be one of transitioning to an external organization, one that can step in quickly to assume responsibility, that can take over administrative headaches, and that can provide the same white glove treatment that their clients expect, and deserve.

We recently partnered with an attorney who was handling sole trustee duties for a family trust. The attorney was looking to wind down his practice but wanted to ensure trustee clients were still in proper hands. Since this is something we handle at Sterling Trustees, the attorney engaged us to manage the fiduciary matters of the trust, while he stayed on as a co-trustee and valued family contact.

We were able to quickly assume several responsibilities, including distributions, tax filings, and investments while the attorney still maintains his longstanding important client relationship. Both attorney and family win in this example--as the valuable relationships are preserved throughout.

Selected white glove third-party organizations like Sterling Trustees offer comprehensive independent fiduciary services that can help attorneys realize the benefits of divesting from burdensome trustee duties.


In our experience, it is better for the family if the attorney begins this transition before any urgency requires it. For example, consider the attorney's demise. In this situation, Sterling would step in as a successor trustee and take over all responsibilities. However, this is a "Band-Aid" and not an optimal outcome. We instead strongly recommend naming Sterling as trustee before this type of event, where the attorney can then either act as a co-trustee or protector alongside of us.

Importantly, this allows the attorney to remain active with the family in making key decisions while offloading the mundane tasks of being a trustee: like trust accounting, tax preparation and completing distributions. This also allows Sterling to develop relationships with the family members, to understand any intra-family dynamics and--when the day comes for the attorney to step down--provide a seamless transition for the family.

If you're an attorney considering retirement or a wind-down transition, or you are concerned about trustee liability or are finding that common trustee duties are simply becoming too burdensome, let us know. We can help discuss options and share lessons learned that we've seen from attorneys in similar situations. Contact us at info@sterlingtrustees.com or by phone at 605-593-8950 to start the conversation.

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