

## Understanding the role of executors and trustees



**An executor is a person** you appoint in your will to manage your estate's affairs after your passing. This role involves various responsibilities, including:

**Asset inventory:** The executor's first task is to take stock of all your assets and debts. This includes properties, investments, bank accounts, and outstanding loans.

**Probate:** If necessary, the executor initiates the probate process, which is the legal validation of your will. This process can be complex, involving court proceedings and paperwork.

**Debt settlement:** Executors use estate funds to pay off outstanding debts and taxes, ensuring your estate meets its financial obligations.

**Asset distribution:** Once debts are settled, the executor distributes remaining assets according to your will's instructions. This can involve selling assets and transferring ownership to beneficiaries.

**Record keeping:** Executors must maintain detailed records of all financial transactions related to the estate.

Choosing an executor is a critical decision. It's advisable to select someone trustworthy, organized, and capable of handling the responsibilities.

**A trustee, on the other hand,** manages assets placed in a trust for the benefit of specific individuals or entities. Trusts can be set up during your lifetime or through your will. Key trustee responsibilities include:

**Asset management:** Trustees oversee trust assets, making investment decisions and ensuring they are appropriately managed for the beneficiaries' benefit.

**Distributions:** Trustees follow the trust's guidelines to make distributions to beneficiaries at specified times or under certain conditions. This ensures that assets are used as intended.

**Record keeping:** Like executors, trustees must maintain accurate records of trust-related financial activities.

**Fiduciary duty:** Trustees have a legal obligation to act in the best interests of the beneficiaries and manage trust assets prudently.

Appointing a trustee is crucial to ensuring that your trust functions smoothly and that your beneficiaries receive the intended benefits.

### Executor vs. Trustee: the key differences

While executors and trustees share some similarities in their roles, there are essential distinctions:

- Executors handle your entire estate, while trustees manage specific assets in a trust.
- Executors' roles usually end once the estate is settled, while trustees may have ongoing responsibilities.
- Executors are often involved in probate, while trusts typically avoid probate.

Understanding the roles of executors and trustees is vital when planning your estate. These individuals play critical roles in ensuring that your assets are managed, debts settled, and beneficiaries receive their inheritances. Selecting the right executor and trustee, along with clear communication of your wishes, can help ensure a smooth transition and the fulfilment of your legacy. Always consult with legal and financial professionals to make informed decisions in your estate planning process.