

# Appointing a professional trustee



There are various important considerations to take into account when appointing a professional trustee, which we explore in this guide, as well as the likely costs involved.

## At a glance

- You can appoint a professional trustee and/or more individuals as trustees of a trust.
- Professional trustees may be appropriate because they are independent and objective.
- You can appoint an individual member of Mills & Reeve as a trustee, or the Mills & Reeve Trust Corporation.
- Appointing the trust corporation provides continuity and ensures there will always be a professional trustee available.
- We charge by the hour for trustee services.

When creating a trust, you are entitled to appoint any person to be a trustee of your will trust and/or your lifetime trust. In turn, they are free to engage the services of a professional to assist with the administration of your trust.

As well as choosing one or more individuals to be trustees, you might appoint a professional trustee to work alongside them. Alternatively, you can appoint a professional trustee to act alone.

Clients frequently choose to appoint a professional trustee for the following reasons:

- To ensure independent and objective decisions are made in relation to the investment and distribution of the trust assets.

- To provide a degree of personal distance from family members who may find it difficult to make decisions where there is a conflict of interest or emotional complications.
- To tie the family and the administration of your trust to your trusted professional advisors.

Mills & Reeve can act as a professional trustee. This can be arranged either by appointing an individual member of the firm as a trustee, or by appointing the Mills & Reeve Trust Corporation.

Appointing the trust corporation, rather than an individual at the firm, provides continuity and ensures that there will always be a professional trustee available. The sole purpose of the trust corporation is to act as a corporate trustee and, at any one time, around 20 partners of the firm are directors of it. The trust corporation does not undertake any trading or business activities and therefore does not pose any financial risk to the trust fund.

## Our fees

Our charges are calculated on the same basis, regardless of whether an individual or the trust corporation is appointed as a trustee. We charge by the hour. Our current hourly rates for the employees who will typically be involved in this work are:

<b>Trust manager/legal executive</b>	£145 - £235
<b>Associate/senior associate/principal associate</b>	£185 - £310
<b>Partner</b>	£345 - £550

We review our rates each year and notify our clients of any changes. All work is supervised at a partner level, but most of the administration work is dealt with by an experienced trust manager or legal executive to keep costs down. Decisions regarding the investment of trust assets or distribution among the beneficiaries are always made by the partner most familiar with the wishes of the settlor and the circumstances of the trust's beneficiaries. It is difficult to provide an accurate estimate of the costs involved in acting as a professional trustee. There are many factors that affect the work involved, including the nature of the trust, the beneficiaries and the co-trustees and the extent, nature and location of the assets in the trust. Wherever possible, we provide a best estimate of the likely costs as soon as details are available, and revised estimates as and when circumstances change.

Discrete pieces of work are quoted for separately. These may include:

- Conveyancing charges in connection with the sale of property
- Litigation affecting the administration of the trust
- Tax planning for beneficiaries of the trust

## Billing

Whenever we are instructed to deal with the administration of a trust or to act as a trustee, detailed terms of engagement are sent out for approval to co-trustees and, in some cases, to beneficiaries. We usually bill on a monthly basis. If costs are low in a particular month, they will usually not be billed until the following month. In some matters involving minimal ongoing administration, quarterly billing is more appropriate. Issuing bills at regular intervals enables the co-trustees and beneficiaries to monitor the expenditure of the trust. Detailed reports of the time involved will be provided.

## Also in the series

- Making a will
- A family investment company
- Administering an estate
- Lasting powers of attorney
- Grandchildren's education trust
- Pre- and post-nuptial agreements
- Appointing a professional executor
- Distributing the estate of someone dying intestate
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## Meet our experts

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