



How to Choose an Executor

Although you are confident that your estate plan achieves your objectives, it's important to remember that you need an executor -- a personal representative -- to put your plan into action. Choosing the right executor not only ensures your wishes will be carried out after your death, but can provide emotional comfort to your grieving family.

An executor's responsibilities include arranging the funeral, reviewing the most current will, overseeing the preparation of a final tax return, settling debts, and distributing remaining assets to beneficiaries. Although the executor's role is generally temporary, your executor might also become involved in investing surplus cash and managing those investments or working with your family to resolve conflicts over the distribution of your estate.

The executor's role can be filled by a trusted family member or friend or a professional executor, such as a bank trust department. You also may choose to appoint co-executors to share in the administration of your estate. Key factors in determining whether to appoint an individual or a professional executor are the complexity of your will and the size of your estate.

Many people choose a family member or friend as their executor rather than a professional because they want to know who will be working with their heirs. While your executor should be trustworthy, responsible, and well organized, business or investment experience is also a valuable asset. However, an executor who needs specific professional help can always choose to delegate some of their responsibilities by hiring lawyers, accountants, or other experts, and paying them from the assets of the estate.

When selecting an individual executor, it's important to choose someone who is familiar with your values and life goals. While most of your intentions will be clear, your executor could be called on to make a judgment and act "as the deceased may have wished." You should also consider how comfortable your heirs will feel working with the executor you choose.

It's also ideal if your individual executor lives locally. An out-of-state executor could delay the paperwork filing and estate settlement process and have a more difficult time working hands-on with your heirs. In fact, some states impose restrictions on out-of-state executors. For example, a few require that an out-of-state executor be a relative or a primary beneficiary of your will. Other states require a nonresident executor to obtain a bond (an insurance policy that protects your beneficiaries in the event of the executor's wrongful use of your estate's property). In most states, the only people who cannot serve as executors are children under age 18 or convicted felons.

Most importantly, be sure the person you select as your executor knows you have chosen them and accepts the responsibility. It's also wise to name a contingent executor, and perhaps even add a corporate trustee at the end of your list of successor trustees, in order to keep your estate out of the courts if your primary executor later becomes unable or unwilling to serve. Keep in mind that an executor who begins to serve your estate can resign at any time. If your will names an alternate, you avoid having the court step in to appoint someone else.

If your will is particularly complex, your family members and friends just may not have the time and skills to serve as your executor. In that case, you may be best served by a trust company, lawyer, or accountant. It's a good idea to match specific expertise you may require -- tax law, investment management, real estate, or business administration -- with the appropriate professional. Their knowledge could enable your heirs to avoid potentially costly mistakes an inexperienced individual executor could make.

A professional executor is also a wise choice if there is a real possibility for prolonged family conflict. If your executor is also one of your heirs, he or she may not have the objectivity necessary to make fair decisions and may end up being resented by other family members. A professional lends an impartial element to the administration of your estate. For this reason, many

people decide to have a professional serve as co-executors with a family member, friend, or business associate. That way, the heirs benefit from a combination of professional experience and the personal insights of a family member or friend.

Whether you choose an individual, a professional, or both, you can facilitate your executor's tasks by reading and working through Mark Kaizerman's *Beneficiary Directory* (Just Write Books). A step-by-step guide for organizing documents for your heirs, *Beneficiary Directory* provides a comprehensive list of the documents and information your executor will require to carry out your wishes in the most efficient, cost-effective, and timely manner. If you leave your beneficiary directory with your financial advisor or attorney, your executor will have access to all the information he or she needs with just one phone call.

For more information on this topic call Tuve Investments at 1-800-373-8883 or visit www.tuveinvestments.com.

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