

# Now you can have greater flexibility and control in your estate plan

by Stephanie Feldman, CFP®, CTFA

By using a directed trust, you can separate the role of corporate trustee and wealth advisor

We welcome the opportunity to meet with you and your legal advisor to talk about how you can establish a continuity of wealth advice and guidance from generation to generation while still providing the expertise of a corporate trustee. This is permitted due to the Illinois Directed Trust Statute (760 ILCS 16.3 AND 16.7).

Prior to 2013, if a corporate trustee was named in your estate plan, the named corporate trustee was responsible for all fiduciary duties, including the management of the assets. Under the Directed Trustee Statute, it is permissible to bifurcate the roles, which allows for the management of the assets to be separate from the trustee's administrative duties. As such, your investment/wealth advisor can continue to do what they have always been doing for you and your family.

Specifically, you can name one party to be your administrative or directed trustee and another party to be your investment/wealth advisor. In this arrangement, the party you name to be the directed trustee is not responsible for overseeing your chosen investment/wealth advisor.

When you name a separate firm to be your trust's investment/wealth advisor, the statute grants them with the authority to:

1. Direct the corporate trustee with respect to the retention, purchase, transfer, assignment, sale, or encumbrance of trust property and the investment and reinvestment of principal and income of the trust
2. Direct the corporate trustee with respect to all management, control, and voting powers related directly or indirectly to trust assets, including but not limited to voting proxies for securities held in trust
3. Determine the frequency and methodology for valuing any asset for which there is no readily available market value

## Why name a corporate trustee

The job of a trustee is crucial and can be complex. Choosing the right individual or entity is important. Being a trustee can be a full time job. You may want to consider naming a corporate trustee. Below are some of the reasons why a corporate trustee could be an appropriate solution for you:

- Ability to identify potential problems that a nonprofessional may overlook
- Unbiased towards family members and can act as an intermediary
- Resources to investigate need and appropriate level of service for disabled family members
- Provide custody of and inventory assets
- Preparation and filing of fiduciary income tax return(s)
- Ensure correct and timely payment of debts, expenses, and other liabilities
- Ensure continuity and succession in the administration of the trust

You have options when choosing a corporate administrative trustee. We work with several institutions that would be able to serve in this capacity and would be pleased to tell you more about them. If appropriate, we can help make introductions to the people who would work with you.

Their specific duties may include:

- Oversee the delivery of fiduciary administrative services
- Custody and safekeeping of portfolio assets including the collection of dividends, interests and other income
- Monthly or quarterly statements with online access and consolidated reporting
- Annual reporting of tax-related information for use by you and third-party tax preparers and filing of your fiduciary tax

returns

## **Clients and their families value the continuity of our guidance**

Mesirow Wealth Management is committed to seeing that your financial plans are carried out as you wish now and into the future. For more information about how we can be of service to you and your family, please speak with your wealth advisor.

Published March 2024

Mesirow does not provide legal or tax advice. Please discuss any decisions with respect to trusts with your attorney and/or advisor.

Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc. ©2024, Mesirow Financial Holdings, Inc. All rights reserved. Any opinions expressed are subject to change without notice. Past performance is not indicative of future results. Advisory Fees are described in Mesirow Financial Investment Management, Inc.'s Form ADV Part 2A. Advisory services offered through Mesirow Financial Investment Management, Inc. an SEC registered investment advisor. Securities offered by Mesirow Financial, Inc. member FINRA and SIPC.