



# The Peninsula Center

for Estate and Lifelong Planning  
Attorneys and Counselors at Law

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## **Fiduciary Services**

As an added service to our clients, we offer fiduciary services for all types of trusts and estates. We will willingly serve as executor, trustee, or agent under a Durable Power of Attorney where appropriate and requested by a client. We are not investment advisors and do not provide investment services. Instead, we handle all of the administrative tasks involved in administering an estate or a trust including but not limited to:

- Preparing Inventories and Accountings
- Facilitating the Preparation and Filing of Tax Returns
- Working with Investment Advisors
- Paying Bills
- Making Distributions and Dealing Directly with Beneficiaries
- Handling Irrevocable Trust Administration Issues to include paying insurance premiums & preparing Crummey Letters
- Understanding the Legal Intricacies of Wills and Trusts and explaining them to beneficiaries
- Advising Beneficiaries of Planning Options that may be available to them under a Trust

Although most of the larger financial institutions (banks and trust companies) can provide fiduciary services, we have found that many of our clients desire a more personal approach where they or their beneficiaries can call with a question and reach a live person, who is likely the same person they talked with previously. In addition, many institutions are not equipped to handle smaller estates and trusts. Personal service is what distinguishes us.

## **Services & Fees**

**Powers of Attorney:** An agent under a durable power of attorney is authorized to take actions on behalf of the principal for the management of financial, legal, and personal affairs. Many powers of attorney are not effective until and unless the principal is deemed to be incapable of handling his own financial affairs.

The fees charged by our firm for actively serving as agent under a power of attorney are based on the normal hourly rate of the attorney or legal assistant in the firm who actually performs the work. Much of the work is typically administrative and performed by paralegals, but certain tasks must be handled by an attorney. While the fees would depend upon the hourly rates applicable at the time the work is done, the current hourly rates of the attorneys in our firm range from \$200 to \$375 per hour. The current hourly rates of paralegals range from \$125 to \$175 per hour. All hourly rates are subject to periodic review and change without notice.

**Estate Settlement Services:** An executor (or personal representative) will be responsible for collecting assets at death, paying creditors and estate administration expenses, preparing the decedent's final tax return and fiduciary income tax return(s) for the estate, filing the estate's inventory and accountings in accordance with state law, and distributing the assets of the estate to the decedent's beneficiaries. Depending on the size of the decedent's estate, it may be necessary for the executor to file an estate tax return. Our attorneys have considerable experience in dealing with the estate tax laws and extensive knowledge of the estate tax rules, as well as the expertise to evaluate and take advantage of many post-mortem tax planning options.

These days, many estate plans involve a living trust (also known as a revocable trust or an *intervivos* trust) which, if properly funded, can minimize or totally avoid the need for a probate administration of the decedent's estate. Where a trust is involved, a trustee may assume some of the routine administrative tasks of the executor. Whether the trust was actually funded prior to death, and to what extent it was funded will determine the extent of the probate administration. Oftentimes, no probate administration is required and the trustee will simply manage the trust estate pursuant to the provisions of the trust.

The fees charged for estate settlement services as executor and trustee are based on the values of both the probate and non-probate estates. The executor and trustee fees are based on the value of the assets either held in the estate/trust or received by the estate/trust from outside sources. Additional fees are charged on an hourly basis for services provided which go beyond the normal administrative duties of an

executor or trustee such as tax return preparation, legal services, litigation, real estate management, dealing with unreasonable beneficiary requests, and business management. Our firm reserves the right to retain the services of other professionals to assist with these activities as necessary and warranted by the situation.

Executor Fee

*(based on the value of the Probate Estate)*

Initial Fee (1<sup>st</sup> year):

First \$400,000	5%
Next \$300,000	4%
Next \$300,000	3%
Over \$1,000,000	2%
Over \$5,000,000	1%

Annually thereafter:

5% of income receipts (including capital gains) generated for every year the estate remains open

Initial Trustee Fee

*(based on the value of the Trust Assets Held or Received at Death  
excluding assets received from the probate estate)*

First \$1,000,000	2%
Next \$4,000,000	1%

One-time Trust set-up fee - \$1,000

Minimum Annual Fee - \$5,000

**Trust Administration Services:** Trustees are responsible for managing and safeguarding trust assets, administering the trust estate pursuant to the terms of the trust and, upon termination of the trust, distributing the trust assets to the beneficiaries named in the trust agreement. The trustee fee is an annual fee based on the value of the trust estate. The following services are included in our annual fee, which is based on the value of the trust assets:

- Handle beneficiary questions/concerns
- Make disbursements to creditors
- Make distributions to beneficiaries
- Provide qualified beneficiaries with an annual accounting
- Regularly consult with investment advisors regarding trust investments

- File necessary tax returns (*accounting fees for preparation of all tax returns billed separately as an administration expense*)

Annual Trustee Fee Each Subsequent Year

1% of the fair market value of the trust assets as of January 1<sup>st</sup> of each year\*

**\*Note: The annual fee is negotiable depending on the size of the trust estate.**

No fee is charged on trust income, and no distribution fees apply. However, there is a fee of \$1,000 charged upon termination of the trust or if our firm withdraws or is removed by beneficiaries. Our clients understand that the investment management of trust assets is delegated to an investment manager who is not affiliated with our firm and who has discretion to implement the investment policy. The investment advisor will charge its own fee, but we have found that the combined trustee and investment fees are very competitive with the fees charged by banks and independent trust companies for such services.

**Irrevocable Life Insurance Trusts:** The following services are included in our annual fee:

- Notice to Grantor/Insured of premiums due
- Payment of premiums upon receipt of funds from Grantor/Insured
- Preparation of beneficiary Crummey letters, where required
- Filing of claim upon death of insured(s)
- Distribution of insurance proceeds to beneficiaries or continuing trust
- File necessary tax returns (*accounting fees for preparation of all tax returns billed separately as an administration expense*)

Annual Fee	\$750
Deferred Fee	1% of the value of insurance proceeds received

If the trust continues after the death of the last insured, regular trustee fees apply (see above) upon funding of trust share(s) for beneficiaries.

Additional fees are charged on an hourly basis for services provided which go beyond the normal administrative duties of an executor or trustee such as tax return preparation, legal services, litigation, real estate management, dealing with unreasonable beneficiary requests, and business management. Our firm reserves the right to retain the services of other professionals to assist with these activities as necessary and warranted by the situation.