

# Choose Fiduciaries

You've probably noted that most of the legal documents for estate planning require you to name someone who will act on your behalf. Any of these roles—whether a Trustee of a Trust or a Power of Attorney—is generally referred to as a Fiduciary.

Choosing your fiduciaries can be one of the most important and delicate aspects of planning. Your fiduciaries will be legally empowered to act on your behalf when you are no longer able to do so, both in life and death. Because of this, it is of the utmost importance that you choose fiduciaries that you trust completely, and that you communicate your wishes with them clearly.

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## Loved Ones as Fiduciaries

One of the core concepts behind *LifePlanning* is to realize that aging is a family affair. This is particularly obvious when selecting family as your fiduciaries.

Retirement planning should be more than just getting your affairs in order before you pass. Planning can provide peace of mind to your loved ones. When they are included in your planning process, it can serve to help them come to terms with your death or illness.

When considering family members as your fiduciaries, keep in mind that we all age. For that reason, those who are of a similar age will also age along with you and may not be much more capable than you when the time comes to step in and act. For this reason, it

is common to look to children or younger generation loved ones as fiduciaries. However, many professionals discourage selecting co-fiduciaries to avoid disruption to your estate and beneficiaries during an emotional time.

While your children may benefit from being named your fiduciaries, it can also be a burden. To help alleviate this burden, we recommend that you prioritize having family conversations so that your wishes are clear and detailed and everyone in the family knows their role and what is expected of them. By having these discussions, you can help minimize the chances of your family arguing when a crisis hits. The chapter on Family Planning will go over this in detail.

## Professional Fiduciaries

In some scenarios it may be best to seek someone outside of your family or network of loved ones to be your fiduciary. Selecting a professional as your fiduciary can be a viable option. A professional fiduciary agent appointed as your Power of Attorney or Trustee will charge for their time. This can be a mutually beneficial arrangement, but on average it does cost more than a paid family member.

You can also authorize a law firm or other trusted professional advisor with whom you have a relationship to elect a professional fiduciary for you. Generally, many advisors are familiar with what is required of agents under Powers of Attorney and some offer fiduciary services themselves. You should know, however, that going this route may cause some conflict of interest with whatever advisor is electing your professional fiduciary.



You could also locate a professional fiduciary yourself. They undergo some training and can be found on court-created registries. However, consider the wisdom of letting the court elect your fiduciary. Not all of these professionals are the same, and it will benefit you immensely if you meet with these individuals until you find and build a relationship with the one you know you can trust. Only then should you start preparing your estate documents with this professional named as your fiduciary.

**NOTE:** While it will cause a degree of burden on your loved ones, there is also evidence that going through the process of serving as your fiduciary in your time of need is a learning moment. The process, whether it's a smaller burden from your good planning or a heavy burden without it, often inspires them to complete their own planning, which can help their own future.

By going through the process of *LifePlanning*, you can reduce the burden on them, but taking it away completely may also rob them of a milestone in their own experience. For these reasons, a professional fiduciary may be the way to go when you do not have a loved one who could take on the responsibility.

For some, choosing fiduciaries is simple, but for others it can be a complicated decision.

Take time to ponder and discuss, and write down your notes here.

