

ESTATE & TRUST

PROFESSIONAL TRUSTEE SERVICES

The role of trustee is complex with often overwhelming responsibilities. Managing and administering a trust can be a lengthy and time-consuming process that could last for many years.

As a trustee, your responsibilities can include:

- Managing and fulfilling ongoing payments to the beneficiaries of the trust, taking into account any possible conflicting interests
- Preserving trust assets, which may include real estate and investments
- Determining possible liabilities and tax obligations the trust may incur
- Making investment decisions, managing the upkeep of property and arranging expense-related payments
- Maintaining a full account of all assets and transactions and providing reporting when requested

You may also be called upon to mediate any family issues surrounding the trust. Challenges can arise when a family situation includes second marriages and step-children, or when jointly-used family assets, such as a cottage, are part of the trust.

CIBC Trust can help you manage this complex process while minimizing risks and providing the expertise required to ensure professional management of the trust and the fulfillment of the family's wishes.

CIBC Trust simplifies the trustee role

Our CIBC Trust team acts as a Trustee making objective decisions to support the needs of the trust's beneficiaries. As a professional trustee, we draw on our CIBC experts in tax, investments and trust law to assist with any complex trust administration issues. We also act as an objective third-party to help mitigate any family and beneficiary conflicts.

The table on the reverse lists just a few of the duties of a trustee, the challenges you may face when acting as trustee and highlights how our CIBC Trust team can help.

| The Trustee's Duties | Challenges you May Face | How CIBC Trust can help |
|---|--|--|
| Immediate | | |
| <ul style="list-style-type: none"> Review the will or trust deed Consult with the family and beneficiaries Assess the immediate financial needs of any beneficiaries | <ul style="list-style-type: none"> Lacking time or expertise for administrative tasks Maintaining impartiality with family members Residing out of town, province, or country | <ul style="list-style-type: none"> Perform all administrative tasks Provide personal attention and regular updates to all concerned from a dedicated trust specialist Act as an impartial third party Provide full trust services across Canada |
| Beneficiary Administration | | |
| <ul style="list-style-type: none"> Determine beneficiary entitlements under the will/deed and communicate to the beneficiaries Manage ongoing payout to the beneficiaries Manage inquiries/requests from the beneficiaries | <ul style="list-style-type: none"> Calculating beneficiary shares based on a complex breakdown of formulas Locating beneficiaries Navigating family dynamics and remaining impartial and objective Managing the time commitment of frequent payment requests | <ul style="list-style-type: none"> Provide experience in interpretation of beneficiary entitlement Act as a neutral third party to help alleviate potential conflict when family dynamics are an issue Maintain and document ongoing and one-time payments to beneficiaries Provide sound decisions on requests from beneficiaries |
| Protection of Trust Assets | | |
| <ul style="list-style-type: none"> Identify and record trust assets Ensure safe custody of valuables Secure real estate, arrange property management and suitable insurance coverage Assess investment risk Collect trust assets from multiple sources Consolidate assets cited in trust for proper statement reporting | <ul style="list-style-type: none"> Ensuring security and protection of special collections Overseeing multiple properties, rental or commercial holdings Managing complex investments Finding qualified professionals to value or secure assets Preparing paperwork to transfer all assets into one account for reporting | <ul style="list-style-type: none"> Manage trust assets and monitor properties professionally Assist with arranging adequate and up-to-date insurance coverage Arrange for professional appraisal of assets (including those out of province or country) Arrange for valuation of private company holdings Arrange for storage of valuables Consolidate assets for proper trust reporting and security purposes Monitor markets and manage complex investments |

Managing the Trust Assets

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Open trust account • Manage, sell, or transfer real estate holdings • Register trust assets under the trust • Manage or dispose of investments • Ensure all assets are managed in accordance with provincial trust legislation | <ul style="list-style-type: none"> • Managing administrative time commitments • Managing trust investments • Handling conflicts among beneficiaries • Completing extensive paperwork required to re-register and transfer assets to the trust • Securing assets • Understanding multiple legislative and regulatory requirements • Ongoing tracking of income vs. capital to ensure beneficiaries are treated fairly | <ul style="list-style-type: none"> • Manage investments and assets and provide guidance regarding provincial trust legislation • Prepare paperwork to transfer assets and arrange to secure assets • Provide advice on managing the trust while respecting the reporting requirements of the various bodies of government. • Provide segregated reporting of income vs. capital |
|--|---|---|
-

Trust Tax Matters

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> • Determine tax cost at date of inception of the trust and review past returns • Determine tax implications of the trust, e.g. 21 year deemed disposition • Prepare and file required income tax returns on an annual basis, including beneficiary elections • Obtain tax clearance certificates upon windup of trust | <ul style="list-style-type: none"> • Completing specialized tax returns • Managing outstanding tax returns from previous years | <ul style="list-style-type: none"> • Minimize taxes by filing appropriate returns and elections annually • Access to CIBC Trust tax specialists who focus on the preparation of estate and trust tax returns • Review and provide guidance on the Canada Revenue Agency's Notice of Assessment / Clearance Certificate • Manage 21-year deemed disposition taxation |
|--|--|---|
-

Distribution of the Trust

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> • Distribute funds to the beneficiaries on an ongoing or final basis • Submit fund distribution accounting and final statements to beneficiaries | <ul style="list-style-type: none"> • Keeping track of and distribute assets to beneficiaries (possibly on an ongoing bases) • Managing potential conflicts due to uneven distribution among beneficiaries • Lacking familiarity with establishing, managing and winding up trust(s) | <ul style="list-style-type: none"> • Arrange for distribution of assets • Leverage years of experience to handle discretionary trust matters • Provide ongoing accounting to beneficiaries |
|---|--|---|
-

To learn more about CIBC Trust Services, please contact your CIBC advisor.

This article is provided as an information service only, and the information is subject to change without notice. The information is believed to be accurate at the time of writing, but CIBC does not represent or guarantee accuracy, completeness or suitability. The opinions expressed herein do not necessarily represent the views of CIBC. Please consult your own professional advisors for further advice concerning your particular situation.

CIBC Private Wealth consists of services provided by CIBC and certain of its subsidiaries, including CIBC Trust Corporation. The CIBC logo and "CIBC Private Wealth" are registered trademarks of CIBC, used under license.