



Naming Your **Executor**

Your promotional imprint here
and/or back cover.



ABC Company
123 Main Street
Anywhere, USA 12345
www.sampleabccompany.com
1-800-123-4567

Your loved ones come first. So naturally, you want to do everything you can to protect their financial security. Having a will to ensure that your assets are distributed according to your wishes when you die is an essential part of estate planning. But it's only one part. Choosing the "right" executor to carry out your final wishes is just as important.

Settling an estate can be complicated and time consuming. Your executor will have to collect and possibly manage your assets, pay your creditors, file tax returns, keep records, and distribute your assets to your beneficiaries. So the person you select must be financially responsible, knowledgeable about investing and taxes, familiar with accounting practices, and a good businessperson.

What Does an Executor Do?

Basically, the executor (or "personal representative") you name has one job: to carry out the instructions in your will. That means making sure the assets that are left after all your final bills are paid are distributed in the way you have specified.

But it's not as easy as it may sound. Before your estate is distributed, your executor may have to make financial decisions that could affect your estate's value. That's why it's important for the person you name as executor to have experience in financial matters. An inexperienced executor could make decisions that may leave your heirs with fewer assets than you planned.

Who Should It Be?

You can name just about anyone you want as your executor — your spouse, adult child, friend, relative, neighbor, attorney, accountant, business associate, or an institution. In fact, you can name more than one executor if you'd like. The choice of an executor is pretty much up to you.

Since settling an estate is a personal matter, you may want to choose a relative or close friend who knows you, your situation, and your family well. But first, you'll want to consider whether a potential executor has the inclination, expertise, and time to manage your financial affairs and attend to all the details of settling your estate. You'll also want to consider whether having to handle your estate will place an added burden on a loved one at what may already be a very difficult time.

Before you choose a friend or family member as executor of your estate, ask yourself whether that person will be able to make impartial decisions and carry out your wishes as spelled out in your will. And once you've made your choice, make sure the person you wish to name is willing to serve before having your documents drafted.

Your Executor's Duties

The work of your executor starts even before probate of your will begins. Your executor may:

- Meet with your family to make arrangements for their financial needs
- Help locate your assets
- Arrange with your attorney for probate of your will
- Seek the court's appointment to serve as your executor

During the estate settlement period, your executor wears many hats: asset manager, bill payer, debt collector, bookkeeper, and asset distributor, among others. An executor is both an administrator and a fiduciary. Here are some of the specific tasks your executor may have to perform.

- Gather your estate's assets (investments, cash, personal and household items, real estate, business interests, etc.)
- Have the assets appraised
- File claims for life insurance and other benefits (employer, veterans, Social Security, etc.)
- Collect rents and other debts owed to you

- Pay final bills and other outstanding debts
- Take legal action, if necessary, to collect money owed to your estate or to defend your estate against claims having no merit
- Manage your estate's assets, including your investment portfolio and any real estate rental property that you own
- Sell assets, as your will or state law directs, to pay expenses or legacies
- Distribute the remaining assets to your heirs
- Keep good records of all transactions
- Prepare a detailed accounting for your heirs and the probate court

If your estate includes a closely held business, you may need an executor who can keep your company running smoothly.

Taxes Can Be Challenging

Your executor is responsible for filing tax returns and making other tax decisions for your estate. This may well be the most challenging part of an executor's job, since the various tax aspects of estate settlement can be complex. The person you choose will most likely need the help of a professional who is familiar with all the applicable federal and state laws and can help with making informed decisions about valuation methods and other tax issues. These could have a big impact on your estate.

The tax issues involved with estate settlement may include:

- Selecting a fiscal year-end for the estate
- Making tax-saving elections, if available
- Timing distributions to minimize taxes
- Preparing income- and estate-tax returns
- Giving beneficiaries information they'll need for tax purposes

Appointing a Professional

Settling an estate — especially a large one — can be an overwhelming job. And it may sometimes involve unexpected tasks, such as locating estate assets, missing relatives, or witnesses to your will, or even settling disagreements. Because there are many unknowns, you may want to name an institution or a professional with experience in estate settlement as your executor or coexecutor. An experienced coexecutor's expertise coupled with the personal insight of your relative, friend, or business associate can help ensure that your estate is settled as quickly and efficiently as possible. A professional executor or coexecutor also offers the added benefit of an unbiased perspective during any disputes that may arise.

Choosing your executor is one of several important steps in the estate planning process. You'll want to talk to your financial and legal advisors about other steps you might take to provide financial security for your loved ones.

This publication is not to be considered legal, accounting, tax, or investment advice. The information is general in nature and may or may not be appropriate to you. Before applying anything you read to your personal or business situation, you should seek professional advice. This publication is an advertisement prepared by NPI for the use of the sender. The sender and NPI are unrelated companies. The content is not written or produced by the sender.

newkirk® proof

To order this booklet for
your clients and prospects, please contact:



newkirk®

A DST Company

15 Corporate Circle

Albany, NY 12203

800-525-4237

Fax 518-862-3355

www.newkirk.com

info@newkirk.com

Need an order form?
Call Newkirk today or download an order form
at www.newkirk.com.