Choosing an Executor for your Estate

The choice of an executor for your estate may not seem as important as choosing a guardian for your children, but careful thought is required when deciding whom to put in charge of your money and property when you're gone.

Someone with a law degree or a background in accounting may be a good choice, although many people give the role to a close friend or family member. Your spouse should never be overlooked as a choice of executor, as your spouse will be most affected at your passing. It's important to keep in mind though, that your spouse and you could go at the same time, so when selecting your spouse, have a backup choice.

Commonly to avoid "family drama", individuals choose the bank as executor of estate, but there are pros and cons to leaving the responsibility in the banks hands:

Pros:

- Banks have experience administering estates
- They are in the business of administering assets that their clients entrust to them
- Their employees stay current on estate and tax laws
- They stay impartial, unaffected by attempts by family or beneficiary to affect the estate

Cons:

- Banks charge fees for acting as executor, whereas family members may serve at little to no charge
- Some banks decline the opportunity to serve as executor for small estates and choose only to represent larger, more profitable estates
- Your family members would be working with an impersonal institution and may have to worry that ownership of the institution will change over time

Regardless of your choice of executor of your estate, be sure to tell your spouse, children and family of your decision. Be open about your estate plan, what they can expect and why you've made the decision you have. You may want to include a stipulation that your family meet with your attorney as a group after your passing, to avoid hard feelings or misunderstandings.

When you trust your family with this important information about your wishes, you are passing on your legacy in the most genuine sense of the word.