

# Our Trustee Services



## Truvera Trust Corporation

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Truvera Trust Corporation (“Truvera”) is an independent British Columbia owned trust company which has been operating since 2005 and has offices in Vancouver and Kelowna. We are incorporated under BC’s Financial Institutions Act and regulated by the Financial Institutions Commission of BC. We specialize in providing clients with financial and estate planning and administration services.

The advisors at Truvera are highly skilled professionals who have years of prior experience in senior partnership and managerial positions with major international accounting firms such as PricewaterhouseCoopers, KPMG and Deloitte, as well as financial institutions and law firms. We’ve advised individual and corporate clients on accounting and tax planning, investment management, insurance products, creditor protection, corporate management practices, mergers and acquisitions, business structures, business succession planning, business valuation, selling a business, dispute resolution, personal financial planning and estate and trust planning and administration.

We provide personal, compassionate assistance as we help you manage your financial affairs and we develop customized plans to meet your specific needs. We offer one of the lowest professional fee structures in the province for our services.



**Truvera Trust Corporation**

## What is a Trustee?

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Whenever someone creates a trust, they must appoint a person or trust company to act as the Trustee who will manage, invest and distribute the trust assets and income according to their wishes. This can be a family member, a friend, a trusted advisor or a trust company. Trust companies, such as Truvera, are often named as the Trustee due to the complexity, time demands, potential tax consequences, and personal legal liability involved with trust administration. In many cases, the Trustee will also be the Executor named in a Will.

If you wish, you can name Co-Trustees who will work together and share responsibilities, for example you could name your spouse together with Truvera as Co-Trustees to manage your trust. This could prove helpful in the unfortunate circumstance of your spouse developing any future disabilities. If you name two family members to work together as Co-Trustees this could lead to disagreements and controversies which might end up damaging personal relationships. Naming an independent, impartial third party such as Truvera avoids these problems.

You could also name Truvera as your Alternate Trustee so that we could act if your named Trustee proves unable or unwilling.

Alternatively, if a family member or friend is named as a Trustee, they can hire Truvera to assist them as the Agent for Trustee. In this case, the Trustee retains overall legal and decision-making authority for the trust but receives administrative assistance from us as needed.



## Our Services

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To relieve family members or friends of the responsibility, we can manage, or provide assistance with, the administration of trusts and estates. We can be appointed as Trustee, Co-Trustee, Alternate Trustee, Executor or Enduring Power of Attorney or we can be hired to provide assistance as Agent for Trustee or Agent for Executor.

We also work with our clients to help structure, review and achieve their personal financial planning, business succession planning, tax planning and will and estate planning goals. We provide advice in the use of trust arrangements which can enhance financial and estate plans.

We provide expert professional assistance with safeguarding assets and maximizing their value through the use of effective tax and estate planning strategies.

As we administer or help administer a trust, it's likely that assistance will be required from professional service providers such as lawyers, tax accountants, investment managers, insurance agents, property managers or realtors. We will refer that work to your trusted advisors or, where you don't have an established relationship in place, we will refer the work to reputable advisors we know to be reliable. We can then coordinate and review the work they do on your behalf in order to ensure that you receive timely, competent service.

## What is a Trust?

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A trust is a legal arrangement which you can elect to put in place in order to protect your financial assets or property during your lifetime or after your death. You may wish to protect your assets or property from creditors, spendthrift beneficiaries or legal challenges to your Will, for example. The use of trusts can also help reduce your taxes and estate fees. Whenever you create a trust you transfer legal ownership of your assets or property to the trust. You must appoint a person or trust company to act as the Trustee who will manage, invest and distribute the trust assets and income according to your wishes. A trust is a powerful vehicle for control of assets and tax reduction but it can also generate tax liabilities so it's critical that your trust agreement be well-drafted and reviewed regularly in order to ensure its effectiveness, security and flexibility. Similarly, your Trustee must be competent, committed and trustworthy. Truvera can provide various forms of advice on creating trusts and can serve as your Trustee.

## Types of Trusts

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There are various types of trusts, all with different features and requirements, including age restrictions. Commonly used trusts include the spousal trust, family trust, insurance trust, alter ego trust, joint partner trust and charitable remainder trust. When any of these trusts are created during your lifetime they are referred to as inter vivos or living trusts; when created in your Will to come into effect at the time of your death they are referred to as testamentary trusts.

Trusts can be used to accomplish a number of different objectives, some of which include:

- protect assets from unsecured creditors, such as in the case of marriage breakdown, or from the bankruptcy trustee in the case of personal bankruptcy, by surrendering control of the assets to a trust
- enable immediate distribution of estate assets to beneficiaries, rather than waiting for the often lengthy time involved in settling an estate
- avoid probate fees on assets you wish to leave to your spouse by transferring them to a trust, this also avoids paying double probate fees on the same assets in the event that your spouse survives you for only a short time
- minimize the taxes your beneficiaries will have to pay on their inheritance by transferring your assets to a trust with directions to pay out distributions over time rather than as one lump sum, thus taking advantage of income splitting opportunities
- delay an inheritance to your beneficiary until an age when they will handle the assets responsibly by transferring the assets to a trust and providing instructions for the timing and amounts of payments from the trust to the beneficiary, this would be especially important in the unfortunate event that a young adult beneficiary's parents were to perish together
- reduce a business owner's capital gains tax through the creation of a trust and the technique of an estate freeze to access multiple capital gains exemption claims
- receive tax credits for any sizeable charitable donations you wish to make by establishing a charitable remainder trust
- help ensure that your final wishes are fulfilled by leaving your estate to a trust thus bypassing your Will and preventing a legal Will challenge which could see the court change the intended distribution of your estate, this can be helpful in the case of a blended family situation

## Tax Considerations

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Trusts are considered to be taxpayers and must therefore file annual tax returns. The use of trusts can create certain tax benefits but can also give rise to significant tax liabilities so it is critical to receive professional advice in advance of creating any inter vivos or testamentary trusts. Your individual circumstances must be taken into account in deciding whether or not the use of trusts could be beneficial to you.

## What Are the Trustee's Duties and Responsibilities?

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The Trustee has a serious fiduciary responsibility to safeguard the property, capital and income of the trust and is in charge of overseeing many tasks. The experts at Truvera have the knowledge and experience to manage any of these responsibilities, which could include:

- transferring legal title of the specified assets to the trust
- safeguarding and insuring the trust assets
- managing the trust assets, including real estate property
- investing the trust financial assets and ensuring a reasonable investment return
- minimizing the tax liabilities of the trust assets
- collecting the income and paying the expenses of the trust
- making distributions of the capital and/or income of the trust to the named beneficiaries of the trust in strict accordance with the terms of the trust
- meeting with the trust beneficiaries and making permissible discretionary distributions, if appropriate
- filing all required tax returns for the trust and paying taxes owing by the required deadlines
- keeping detailed financial accounts of the trust assets, income and expenses
- reporting on the administration of the trust to the trust beneficiaries and providing them with updated copies of the trust financial accounts on a regular basis
- after approval by the trust beneficiaries, making the final distribution of trust assets when the trust is terminated

## Advantages of Appointing a Trust Company as Your Trustee or Agent for Trustee

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Trust companies are licensed financial institutions which are regulated on an ongoing basis by provincial financial authorities. When you appoint a trust company to manage or assist with your trust, you have the security of using experts who are up to date with current legislation and have the knowledge, experience and professionalism to properly safeguard assets, seek reasonable investment returns, minimize taxes and comply with all legal filing requirements and deadlines.

Having your trust administered by a neutral third party helps avoid conflict and controversy among family members. It also relieves family members or personal friends of the burdens and legal liabilities which could arise from acting on your behalf. And it avoids tax liabilities or impairment of the value of the capital or income of the trust which could result from mishandling by an inexperienced or distracted family member or friend.

When you appoint Truvera you help prevent these problems and you have the peace of mind of knowing that your trust administration will be handled promptly and efficiently by willing, experienced, impartial professionals who are committed to their fiduciary responsibilities.

## What to Expect When You Appoint Truvera as Your Trustee

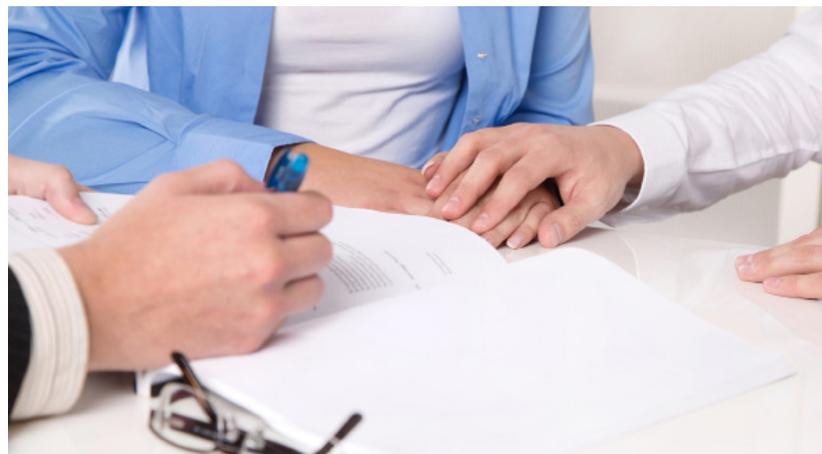
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To learn more about appointing Truvera as your Trustee, Co-Trustee or Alternate Trustee, contact us to arrange a complimentary, confidential conversation with one of our Trust Officers. If you appoint Truvera then you'll provide us with information about yourself, the trust assets and the trust beneficiaries which we will hold in strictest confidence. You will also sign our compensation agreement. In the months and years ahead, you'll receive ongoing trust, estate and tax planning updates from us along with the opportunity to update any file information as appropriate. You'll be welcome to contact us at any time to review your financial and estate plans and arrangements and make any appropriate revisions.

## Trustee Fee

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Trustees are permitted under provincial law to claim fees for their trust administration services and must pay income taxes on their fees. In British Columbia, when the fees are not specified by prior compensation agreement or in the Will, the Trustee may claim up to 5% of the gross aggregate value, including capital and income, of all the trust property settled on the Trustee and an annual management fee of up to 0.4% of the average market value of any trust assets under ongoing administration. Truvera charges significantly less than the top rate and when you appoint us as your Trustee, or hire us as your Agent for Trustee, you would sign our standard compensation agreement.



## Our Contact Information

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Our team of advisors at Truvera is made up of respected professionals with years of specialized expertise. We can provide peace of mind with our competent, compassionate personalized assistance and we'd be happy to speak with you to discuss your needs.

Visit our website at [www.truvera.ca](http://www.truvera.ca) and call us at **778-379-3933** or e-mail us at [info@truvera.ca](mailto:info@truvera.ca) to set up a complimentary, confidential consultation.



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