

Helpful Terms to Know

Trustee

The person responsible for managing a trust's assets and carrying out its terms. A trustee holds legal title to trust property, but must always use it for the benefit of the trust's beneficiaries, not personally. Duties typically include managing investments, paying valid expenses, keeping accurate records, and eventually distributing assets according to the trust's instructions.

Settlor (also called grantor or trustor)

The person who creates a trust and writes the instructions it follows. While the settlor is alive and able, they usually manage the trust themselves, acting as their own trustee. Once they can no longer do so, whoever they've named steps in.

Successor Trustee

The person or professional named in a trust document to take over as trustee once the current trustee dies, becomes incapacitated, or resigns. Until that happens, a successor trustee has no authority and no responsibilities — the role exists on paper only, ready to activate when needed.

Beneficiary

A person or entity entitled to receive assets, income, or other benefits from a trust or estate, according to its terms. A trust can have multiple beneficiaries with different interests, and a trustee owes duties to all of them equally.

Fiduciary

A general legal term for anyone required by law to act in someone else's best interest rather than their own. Trustees, agents under a power of attorney, executors, and health care agents are all fiduciaries, even though the specific roles and documents differ.

Executor

The person named in a will to carry out its instructions and settle the estate through probate. An executor gathers and protects assets, pays debts and taxes, and distributes what remains according to the will, all under court supervision.

Administrator

The person appointed by a court to settle an estate when there's no will, or when a named executor is unable or unwilling to serve. An administrator carries out largely the same responsibilities as an executor, but follows California law rather than a will's specific instructions.

Probate

The court-supervised process of settling someone's estate after death. It applies when assets weren't placed in a properly funded trust, and typically involves more formal filings, more time, and less privacy than trust administration, since the estate's basic details become part of the public record.

Trust Administration

The process of carrying out a trust's terms once the settlor has died, become incapacitated, or resigned as trustee. Unlike probate, trust administration typically happens without court involvement, which is part of why a properly funded trust is often faster and more private to settle.

Power of Attorney

A legal document in which one person (the principal) appoints another (the agent) to manage financial and legal affairs on their behalf. A durable power of attorney remains in effect even if the principal later becomes incapacitated, which is why it's the version most commonly used in estate planning.

Advance Health Care Directive

A legal document that lets someone appoint a health care agent to make medical decisions on their behalf if they become unable to make those decisions themselves. It can also include written instructions about specific treatment preferences, whether or not an agent is named.

Conservatorship

A court-supervised arrangement in which someone is appointed to manage another person's personal care or finances, generally used when that person can no longer manage their own affairs and no power of attorney is already in place. Conservatorships involve more court oversight and less privacy than acting under a power of attorney.

Certification of Trust

A short document, usually just a few pages, confirming that a trust exists and stating who the trustee is and what authority they hold, without disclosing the full trust document or its private terms. Banks and title companies often request this instead of the complete trust.

Special Needs Trust

A trust designed to hold assets for the benefit of a person with a disability without disqualifying them from needs-based government programs like Supplemental Security Income and Medi-Cal. Assets in the trust are managed separately so they don't count against the strict limits those programs impose.