



BUYNAK LAW FIRM

Providing Notice of a Trust Administration to Beneficiaries and Creditors

Beneficiaries

Under California law, the trustee must send a notice of trust administration to the beneficiaries of the trust. These are the individuals named in the trust to receive the trust's assets. The notice must also be sent to the heirs at law of the settlor of the trust. These individuals would have inherited the decedent's assets if he had died without a will.

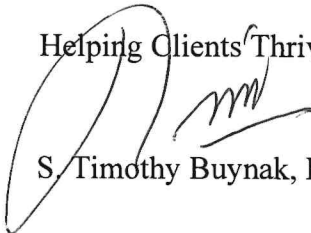
Creditors

A trustee is not required, but may wish to consider, sending notice to creditors of the trust as well. The following is a general overview of this process:

- There is generally no legal requirement that a trustee provide notice of a trust administration to the creditors of the settlor.
- This is true regardless of the fact that the trust assets may be liable for the settlor's debts.
- Giving notice to creditors can be useful to guard against unknown or contested claims against the settlor's estate, because the creditors will only have 120 days to file a claim before it is barred. Otherwise, the deadline for filing a Creditor's claim is one year from the date of death.
- Providing notice to creditors may be handled differently than providing notice to beneficiaries of the trust. The trustee or personal representative may file a probate proceeding for the estate and publish notice of that proceeding in the local newspaper. Therefore, the trust's assets will be protected from the claims of unknown creditors.

Always, always connect with your attorney. There are many strategies when dealing with creditors. As a Trustee, you do not want to suffer a claim by a creditor because of providing or not providing notice to a creditor.

Helping Clients Thrive!


S. Timothy Buynak, Principal