

Guide to Trust Services

For you and your family



Creating and maintaining financial security for you and your family: This is the theme of today's trust services—the task of today's Trust Department.

In a more leisurely era, trust services were the province of the wealthy few. But today millions of Americans need tax-conscious financial guidance. Investing in our perplexing economy has become a job for experts.

It was to meet these challenges that we developed our trust department. We would like to tell you more about our services, beginning with a very basic one.

Executor

It was once common to think of executorship as a merely “honorary” office, without any real duties or responsibilities. But soaring taxes and the complexity of today's typical estate have changed all that.

This complexity makes the task of the executor a real burden on a widow, a relative, a business associate—on anyone, in fact, without the skill and experience now necessary to administer the financial affairs of a decedent properly.

In an estate of even modest proportions, the executor or “personal representative” must:

- Locate, inventory and safeguard all estate assets; establish values for tax and accounting purposes.
- Provide continuing management for income-producing real estate and business interests.

- Pay funeral expenses, legitimate claims of creditors, and expenses of administering the estate.
- Collect all debts owed to the decedent and be prepared to defend the estate against invalid or improper claims.
- Assume responsibility for all estate, inheritance, income or gift tax returns required by state or federal authorities.
- Keep detailed records of all income, expenses and estate transactions. Render accounting to the court or to beneficiaries.
- Distribute the estate in accordance with the provisions of the decedent's will.

Accountant, bill collector, investment advisor, tax expert—these are only some of the skills required of a modern executor—skills possessed to a high degree by today's trust institution. At Summit Community Bank, we maintain a team of specialists whose sole objective is the prompt, efficient and economical administration of estates.

When we are named in a will as executor, a capable and experienced trust administrative officer assumes responsibility for the administration of the estate. A vital link with the decedent's family, this trust officer is available to answer inquiries or to discuss the progress of estate administration with the beneficiaries. He or she combines a sympathetic understanding of the problems of people with a technical competence that few individual executors can claim to possess.

Testamentary trustee

The will that names us as executor often provides for the long-term management of funds in trust—a *testamentary trust*.

Today's testamentary trust almost always is created with the needs of one's immediate family in mind. It features flexible provisions for their full-time support and protection. Also, significant tax savings often can be achieved.

As trustee, it is our task to keep the trust principal safely and productively invested and to pay income to the named beneficiaries. Usually, to afford maximum family protection against unforeseen needs and contingencies, trust provisions may direct us to exercise our judgment to pay trust principal to the beneficiaries whenever income alone is insufficient.

Trusts save taxes by avoiding successive estate taxation of the same property as it is transferred from one family member to another. A husband's will, for example, may create one or more trusts that will pass untaxed in the estates of his wife and perhaps his children. Such trusts may also lighten the income tax load on a family by shifting the receipt of income to those in lower tax brackets.

The long-range management of invested funds presents a real challenge for today's trustee. Our experienced trust investment staff brings a professional outlook and mature judgment to the selection of securities best fitted to the objectives of a trust and to the financial needs of its beneficiaries.

Trustee of living trusts

Many property owners today seek investment supervision for their own securities during life. They create *living trusts*, similar to the testamentary trusts we've just described, in order to obtain the benefits of our professional investment management.

Named as trustee under a trust agreement, we take possession of securities, keep them safe in our custody and perform all the troublesome paperwork.

Income is paid regularly to the trust's creator or to whomever he or she selects to receive it. The trust's investments are under the continual supervision of our investment officers. These capable specialists will recommend changes in keeping with the trust-maker's personal investment goals—capital appreciation, let's say, or perhaps the building of a fund that provides substantial current income.

Many turn to the living trust when they are apprehensive of physical or mental disability in their later years. In the event of incapacity, such a trust can pay bills and protect property without the intervention of a court-appointed guardian.

The living trust, moreover, may survive its maker and go on to furnish continuing financial security for a family. All the tax-saving benefits available with testamentary trusts may also be obtained through use of a living trust, and because the assets of a living trust usually avoid probate, the expenses of administering the trust-maker's estate may be significantly reduced.

Most living trusts today are *revocable*, meaning they may be amended or even terminated at any time during life. This flexibility permits the trust-maker to observe how the trust functions to meet his or her needs—and the future needs of his or her family—and then to make changes accordingly.

Agent for investors

In all of the services thus far described, we act under the terms of a will or trust agreement planned in consultation with your attorney.

But we offer added services to investors and property owners—services in which we act as agent rather than as trustee. Formalities are at a minimum, and the arrangement may be terminated at any time.

- *Our Investment Management Service*, for example, provides full, personalized portfolio supervision.

It begins with the signing of a simple agreement and the acceptance of securities (or funds available for investment) into an account.

After a frank and confidential discussion of the customer's investment objectives, our investment officers perform a complete portfolio analysis and determine what steps are required to conform to the customer's specific goals and risk tolerance.

Thereafter, we provide continuing management, acting whenever we believe action is needed. Investment Management customers receive comprehensive reports and are encouraged to meet with us to discuss their accounts, as well as any changes in their goals and requirements.

- *Our Investment Advisory Service* is designed specifically for today's busy investors. It is similar to our Investment Management Service. We give advice and guidance to customers, but the customer approves all investment changes in advance.

Trust services for today's needs

Flexible and functional—that's the way we might characterize today's trust services. We cordially invite you to come in and explore the many ways in which we may serve you and your family.

At Summit Community Bank, we are committed to fostering personal relationships with our clients. Our professional staff has the expertise to provide a personalized solution for you. Our proven investment performance is enhanced by the relationship that we build together. We will listen to your goals, concerns and dreams to create a customized financial plan to benefit you and your loved ones.

We welcome your questions and look forward to working together.

FOR INFORMATION CONTACT:
SUMMIT TRUST AND WEALTH MANAGEMENT



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