

What Happens If a Trustee Fails Their Duties in Maryland?

A trustee has an important legal responsibility to manage trust property and act in the best interests of the beneficiaries. When a trustee fails to follow the terms of a trust or breaches their legal duties, beneficiaries may have options to challenge the trustee's actions and seek appropriate remedies.

Trustees may be responsible for managing financial assets, keeping accurate records, communicating with beneficiaries, making distributions, and protecting trust property. Because these responsibilities can involve significant financial and legal consequences, understanding what happens when a trustee fails to perform their duties is important for beneficiaries and families throughout Maryland.

What Are a Trustee's Main Responsibilities?

A trustee generally must administer the trust according to its terms and applicable Maryland law. The specific responsibilities depend on the type of trust and the language contained in the trust document.

Common trustee duties may include:

- Acting in the interests of the beneficiaries
- Managing trust assets responsibly
- Keeping appropriate financial records
- Avoiding improper conflicts of interest
- Following the trust's distribution instructions
- Communicating relevant information to beneficiaries
- Protecting and preserving trust property

A trustee who ignores these obligations may expose themselves to legal action. Examples of potential misconduct can include misappropriating trust assets, making unauthorized distributions, failing to provide required information, or improperly managing investments.

Beneficiaries who believe something is wrong may benefit from obtaining legal advice before taking action. An attorney can review the trust document, financial records, and circumstances surrounding the alleged breach.

What Can Happen When a Trustee Breaches Their Duties?

The consequences of trustee misconduct depend on the circumstances and the nature of the breach. Beneficiaries may be able to ask a court for relief when a trustee fails to properly administer the trust.

Possible remedies can include requiring the trustee to provide an accounting, compelling the trustee to perform specific duties, recovering losses to the trust, or removing and replacing the trustee when legally justified.

For families dealing with concerns about a trustee's conduct, [Trust Administration in maryland](#) can involve careful review of the trust terms, financial activity, beneficiary rights, and applicable legal requirements.

The trustee may also face personal financial consequences if their actions caused a loss to the trust. However, the appropriate remedy depends on the facts of the case, the trust document, and applicable Maryland law.

Beneficiaries should avoid assuming that every disagreement with a trustee constitutes a legal breach. A trustee may have discretion under the trust document, and professional legal guidance can help determine whether that discretion was exercised appropriately.

How Can Beneficiaries Protect Their Interests?

Beneficiaries who suspect misconduct should begin by gathering relevant information. Trust documents, account statements, correspondence, distribution records, and other financial information may help establish what happened.

Communication can sometimes resolve misunderstandings, particularly when a trustee has failed to provide information because of an administrative problem rather than intentional misconduct. However, more serious concerns may require formal legal intervention.

A [living trust attorney maryland](#) can help beneficiaries understand their rights and evaluate possible legal remedies. Legal guidance may be particularly important when substantial assets are involved or when beneficiaries believe trust property has been improperly used.

Special circumstances can also require additional care. For example, trusts established to benefit individuals with disabilities may have specific requirements that affect how assets are managed and distributed. A [special needs trust Maryland](#) may require careful administration to protect the beneficiary's interests while preserving eligibility for certain government benefits.

Families can also take proactive steps before problems arise. Clear trust documents, appropriate trustee selection, regular recordkeeping, and professional guidance can reduce the risk of disputes and help trustees understand their responsibilities.

Stuslaw can help individuals and families address trust administration concerns and understand the legal options available when questions arise about a trustee's conduct.

Frequently Asked Questions

Can a trustee be removed for failing their duties?

Potentially. Depending on the circumstances and applicable Maryland law, beneficiaries may be able to ask a court to remove a trustee when the trustee has seriously failed to perform their responsibilities or otherwise cannot properly administer the trust.

Can beneficiaries request a trust accounting?

In appropriate circumstances, beneficiaries may have rights to information about trust administration and financial activity. Whether a specific accounting is required depends on the trust terms and applicable law.

What if a trustee misuses trust money?

If trust assets are improperly used, beneficiaries may have legal remedies. The available options can depend on the nature of the misconduct, the resulting losses, and the circumstances surrounding the trustee's actions.

Should I confront a trustee before contacting an attorney?

Not necessarily. For straightforward administrative questions, communication may resolve an issue. When there are concerns about significant financial misconduct or potential loss of trust assets, obtaining legal advice first may help protect the beneficiary's interests.

Conclusion

Trustees have significant responsibilities, and failing to meet those obligations can potentially harm beneficiaries and trust assets. Maryland beneficiaries who suspect misconduct should carefully review the trust documents, preserve relevant records, and understand their legal options before taking action.

If you believe a trustee has failed to properly administer a trust, consider speaking with an experienced Maryland estate-planning or trust attorney. Prompt legal guidance can help you understand your rights, evaluate the situation, and determine the appropriate next step for protecting your interests and your family's future [Read more](#)