



CASE STUDY: Northern Trust Partners with TEAM to Employ 350+ Household Service Providers in its Guardianship and Trust Practices

CHALLENGE

In 2015, Northern Trust’s National Practice Leader for Trust Services, Stacy Singer, was reviewing the company’s trust and guardianship accounts. One data point that caught her attention was that hundreds of these accounts were employing caregivers and other service providers, who were being paid directly from the funds within the accounts.

“Our legal position was that we were not the employer,” said Stacy. “However, we looked into case law and realized it was less clear than we would like it to be.”

“Our expertise is fiduciary and investment accounts, not being an employer – so we knew we needed to get out of the business of handling employment issues of any kind.”

At the same time, employment rules were getting increasingly complicated. There were new overtime laws, living wage and sick time ordinances, and other new and evolving regulations. “We have hundreds of guardianships and even more service providers being employed by those guardianships.”

“We wanted to ensure we were doing everything right, but it was becoming increasingly difficult to manage varying employment laws in locales across the nation,” Stacy stated.



Stacy Singer

National Practice Leader
for Trust Services
at Northern Trust

SOLUTION

When Stacy and her colleagues came across TEAM Risk Management Strategies at the [Heckerling Institute on Estate Planning conference](#) that same year, they reached out to TEAM's CEO, Rachel Green.

Stacy said, "Guardianship accounts can be challenging. Generally, there is someone who has been deemed disabled - often a child or an older adult - and it is a very personal position to be the caregiver of that person. There's a lot of sensitivity in managing the situation, and a lot of effort that goes into making the families comfortable."

"Northern Trust has very high standards for how we serve clients, and initially there was skepticism that we could actually find someone to work with our clients in the way that we do."

"We did a lot of due diligence on TEAM, and after four years of vetting, we started working with TEAM in December 2020 in our guardianship practice."

Every caregiver's paycheck was processed on the same schedule as it was previously to ensure caregivers did not have a gap in pay. Additionally, the caregivers now had a dedicated HR professional whom they could turn to in the event of an issue on the job. And the bank's trust advisors could breathe easier knowing they were no longer accountable for staying abreast of employment law or unintentionally mishandling the employer-employee relationship.

RESULTS

After transferring the employment of the guardianship caregivers to TEAM, Stacy and her colleagues were pleased not only with the level of care that TEAM provided to those service providers, but with the amount of time Northern Trust's advisors were saving. "The folks at TEAM did a great job working with our clients and getting them past any hesitations regarding the change. Everyone at TEAM was extremely flexible and patient," Stacy stated.

Once TEAM had successfully onboarded Northern Trust's guardianship accounts, the company decided to roll out TEAM's services to its trust accounts as well - totaling more than 350 service providers over the course of the partnership.

"Our trust officers told me, 'TEAM gets it - they understand what we need and take so much work off of our plates. It's clear we're working with experts who know exactly how to manage these situations carefully.'"

When changes to employment law would come across Stacy's desk, she would raise it to her contacts at TEAM, only to learn that TEAM had already addressed it. "Every time an employment law would change, I would send Rachel an email. She would respond, 'We know all about it! We did the research, and have already built it into our system.' It was comforting to not have to think about it anymore."

Another perk to Northern Trust, its clients, and their clients' employees was the new ability to offer a 401k and other benefits that were not offered before.

"I'm very happy with our partnership with TEAM. I hear zero complaints from clients - which is the absolute best endorsement, because clients will call me when they are unhappy. It's been a wonderful opportunity for me and everyone else at Northern Trust to focus on what matters, which is providing the highest level of service to our clients."