



RBC Wealth Management

# EXECUTOR/LIQUIDATOR KIT FOR SETTLING AN ESTATE



## Your final wishes can feel like your last message to those you love.

For that reason, most of us trust the person closest to us – a spouse, child or sibling – to carry out those wishes on our behalf. While being appointed executor\* of someone's Will can feel like an honour, it is also a tremendous responsibility – one that often comes at a time when you're grieving a personal loss. The prospect of carrying out your executor duties may also feel overwhelming. Fortunately, help is available in a variety of forms. The first step is informing yourself about your new role.

Our primary goal in developing this kit is to provide you with an easy-to-follow guide that will help you through the various steps involved in the estate settlement process. It's intended simply as an information resource to support you in your executor duties, not as a substitute for professional advice. Not all of the items mentioned in this kit may be relevant to your particular situation.

### **You kit includes the following pieces:**

- **Your Reference Guide to Settling an Estate**

An easy-to-follow reference guide that will help you through the various steps involved in the estate settlement process to support you in your executor duties.

- **Estate Inventory Workbook**

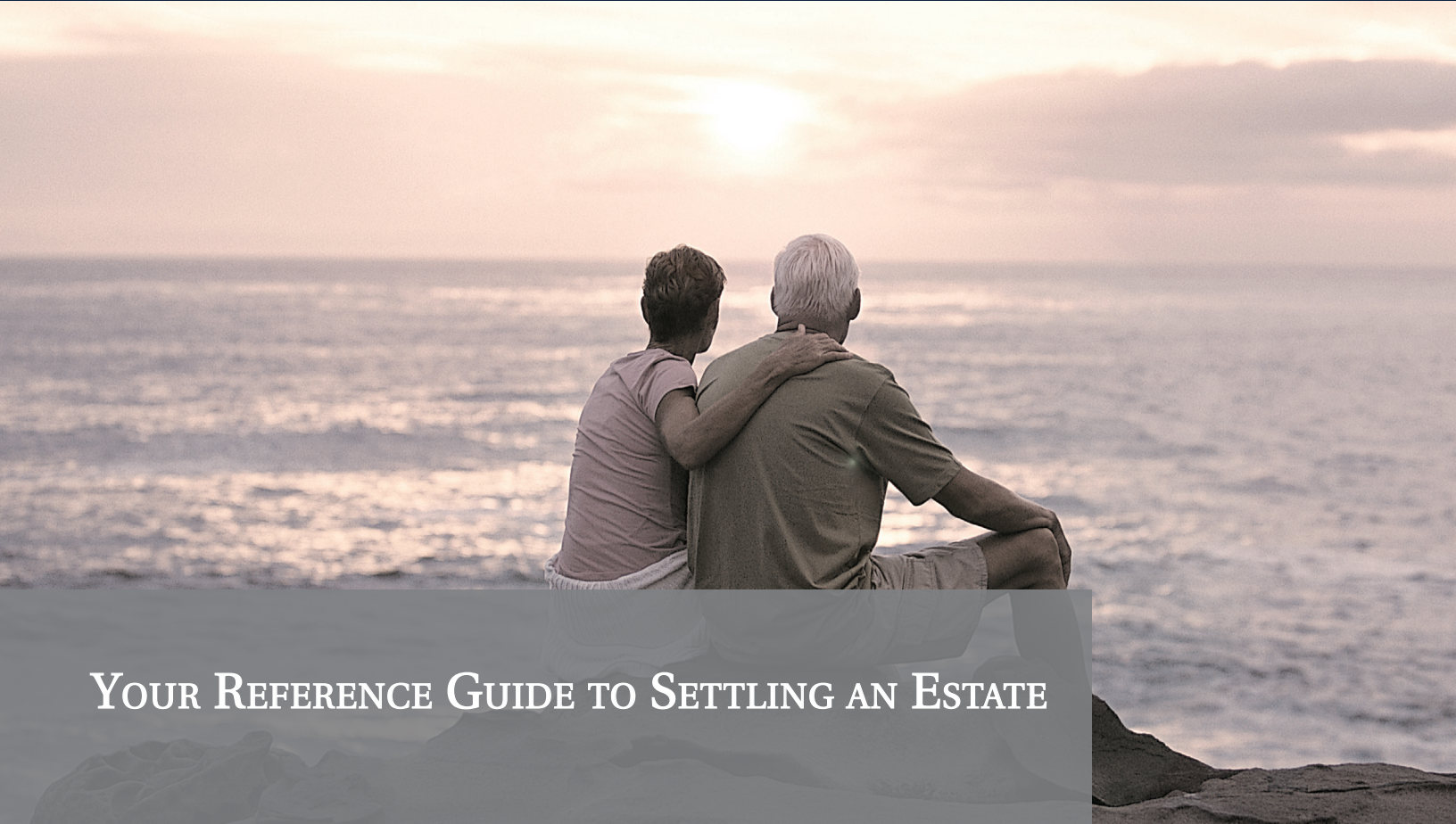
A tool that can be used to help an executor gather a comprehensive list of all information pertaining to the estate.

- **What to Expect When You're a Beneficiary**

Outlines what to expect if you have been named a beneficiary and your options.

For more information, speak with an RBC® advisor, call us at **1-855-833-6511** or visit our website at **[www.rbc.com/estateandtrustservices](http://www.rbc.com/estateandtrustservices)**.

\* In Ontario, an executor is called an estate trustee with a Will. In Quebec, an executor is called a liquidator.



# YOUR REFERENCE GUIDE TO SETTLING AN ESTATE

There's Wealth in Our Approach.™



RBC Wealth Management

## RBC ESTATE & TRUST SERVICES

RBC Estate & Trust Services has been serving Canadians since 1899. We provide individuals, families and businesses with valuable estate, trust and incapacity services, tailored to their specific needs. Our clients are often dealing with unique and complex issues, and want a personal relationship with a skilled advisor who can deliver tailored, thoughtful solutions.

### WE OFFER OUR CLIENTS:

- Assistance in the preservation, management and transfer of wealth between generations by providing solutions to implement clients' estate and trust plans
- Financial security and peace of mind to elder Canadians who require assistance in the management of their affairs as they grow older
- Professional and impartial expertise in delivering estate and trust services
  - Strong history and legacy in managing fiduciary businesses
  - Professionals who have technical and practical experience
  - Compassion and understanding of the client's/family's experience

For more information, speak with an RBC advisor, call us at **1-855-833-6511** or visit our website at **[www.rbc.com/estateandtrustservices](http://www.rbc.com/estateandtrustservices)**.



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# INTRODUCTION

As an executor\*, you are responsible for settling an estate according to the deceased's wishes. With so many tasks to complete and so many people and organizations to deal with, including beneficiaries, legal advisors and tax authorities such as the Canada Revenue Agency (CRA), settling an estate is a complicated undertaking — one that can seem overwhelming when you are also grieving the loss of a family member or friend.

In fact, executors can face responsibilities that demand a great deal of time, energy and attention to detail. If you have been appointed as executor but do not want to administer the estate or require assistance with certain duties, you have the ability to appoint agents to help you. RBC Estate & Trust Services can offer you a variety of services, including help with all of your executor duties or only those you specifically choose.

**This brochure provides you with an easy-to-follow reference guide that will help you through the various steps involved in the estate settlement process. It's intended as an information resource to support you in your executor duties, not as a substitute for professional advice. At the end of this brochure, we have included an estate settlement checklist for your reference as you work through the estate settlement process, as well as a glossary as some of the terminology associated with estate settlement can be daunting.**

\*In Ontario, an executor is called an estate trustee with a Will. In Quebec, an executor is called a liquidator.



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# WHAT IT MEANS TO BE AN EXECUTOR

An executor is the individual or institution named in a Will who is responsible for administering the estate. In Ontario, an executor is called an estate trustee with a Will. In Quebec, an executor is called a liquidator, and if not named in a Will, the deceased's heirs may act as liquidator or may, by majority vote, designate a liquidator. A liquidator may also be appointed by the courts in certain circumstances.

Your overall responsibility as executor is to administer the estate according to the deceased's final wishes as expressed in the Will and according to provincial law.

## TYPICAL DUTIES OF AN EXECUTOR

- Meet beneficiaries to set expectations and give them an overview of the process, from funeral to distribution
- Arrange funeral, memorial, cremation or burial as required
- Locate and prepare a detailed inventory of assets
- Review insurance coverage for the assets
- Arrange for the residence to be emptied and cleaned, locks to be changed and, if required, the property to be sold
- Find, review and file claims for life insurance and pension benefits
- Prepare and file up to five separate income tax returns and determine if an RRSP contribution should be made
- Locate missing beneficiaries
- Pay legacies and other bequests, and distribute the residue of the estate

*✎ In Quebec, unless the deceased has specifically requested it, the liquidator is not responsible for the funeral arrangements. Rather, it is up to the heirs to act, and the expenses are charged to the succession.*

# THINGS TO CONSIDER

Many people feel overwhelmed by the thought of being responsible for estate settlement at a time of grief. There are other circumstances where the services of an Estate & Trust professional can provide valuable support, including:

**Complex family dynamics** — Settling an estate can often create family conflict or renew existing family discord. As executor, you need to communicate with beneficiaries and balance potentially conflicting interests. An unbiased third party can often be an invaluable resource in managing those tensions.

**Time constraints** — Many executors are unaware that it can take one or more years to settle an estate, depending on its complexity. Even the simplest estates will take many hours of work spread over several months. People with busy lives are often challenged to carry out their executor duties in a timely manner.

**Lack of expertise** — As executor, you might feel that you lack the professional skills needed to handle some of the more technical aspects of the job such as filing tax returns for the deceased. An Estate & Trust professional can carry out any or all of the duties you don't feel comfortable handling yourself, while you retain your decision-making authority.

**Living outside the province or country** — It is challenging to act as executor from a distance. There will probably be a number of occasions throughout the settlement process where your physical presence will be required to complete certain tasks such as valuing estate assets or distributing them to the beneficiaries.

**Personal liability** — As executor, you have legal responsibilities that could subject you to personal liability.

If you have been appointed executor and can't or don't want to carry out all the duties involved in administering the estate, you have the right to decline to act before you carry out any tasks. Alternatively, you can engage a trust provider such as RBC Estate & Trust Services at any point during the estate's administration to help you with all or some of your responsibilities as executor.

*✎ In Quebec, under certain circumstances, a liquidator may resign, even after having performed some duties, by giving written notice to the beneficiary(ies) and, if applicable, to the co-liquidator or to the person empowered to appoint a liquidator in his or her place.*



# WHERE AN EXECUTOR CAN GET HELP

There can be more than 70 individual tasks associated with settling an estate, which can be overwhelming in their complexity or simply the time required to complete them. Executors have the right to seek assistance, while retaining their decision-making authority.

## **There are three main sources of help within the executor assistance industry:**

### **1. Trust companies:**

- The Agent for Executor services offered by some trust companies, such as RBC Estate & Trust Services, generally cover all aspects of the settlement process, including gathering information, securing and taking inventory of assets, arranging for application of probate if applicable, preparing taxes and distributing assets to beneficiaries.
- Trust companies employ many professionals, enabling them to provide a wide range of estate settlement services under one roof.
- Due to their comprehensive expertise, trust companies, such as RBC Estate & Trust Services, can actually help maximize the value of the estate through their knowledge in handling tax and other issues.
- At RBC Estate & Trust Services, fees are based only on the tasks for which the executor has retained assistance.

### **2. Lawyers/notaries (in Quebec):**

- Lawyers/notaries look after many aspects of an estate and may send out some work to other professionals.
- Most of the information-gathering and legwork is the responsibility of the executor.
- Fees may be charged for executor services, where applicable, at an hourly rate, with additional fees for any outside professionals required.

### **3. Accountants:**

- Accountants handle estate accounting and final tax returns, sending out legal work to other professionals.
- Most of the information-gathering and legwork is the responsibility of the executor.
- In some instances the accountant may ask the executor to engage other professionals to carry out certain tasks.
- Fees may be charged at an hourly rate, with additional fees for any outside professionals required.

## **WHO DO EXECUTORS MOST COMMONLY DEAL WITH?**

Beneficiaries, investment companies, lawyers/notaries, the Canada Revenue Agency (CRA), accountants, insurance companies, company pension departments, stockbrokers, government pension departments, mortgage lenders, auctioneers and appraisers, financial institutions, real estate agents and business partners.

# RBC ESTATE & TRUST SERVICES CAN HELP

Dealing with the loss of a loved one is difficult enough without the added demands of having been named an executor. Acting as an executor means being responsible for an often lengthy task list that bears with it not only the burden of ensuring a loved one's last wishes are carried out, but legal liability as well. If you have agreed to be an executor and are feeling overwhelmed by the duties involved, are unsure how to proceed or simply lack the time and expertise required to carry out your duties, we are here to help.

## OUR SERVICES

Having a seasoned professional at your side throughout an estate settlement can provide welcome assistance during a difficult and challenging time. An RBC Estate & Trust professional can help you assess the tasks and responsibilities you face and offer a customized level of support. We can help you with every aspect of settling and administering the estate, or you can choose which tasks you need help with including:

- Handling as many of the details of the estate administration on your behalf as you require, while you retain the final decision-making authority
- Providing the consolidation of marketable securities, and proper recordkeeping of all assets, including complex items such as real estate or jointly held assets
- Providing tax assistance and expertise to minimize technical issues and maximize the net value of the estate for the beneficiaries
- Facilitating the timely and orderly distribution of assets

Throughout the process, you will receive attentive, reliable expertise and regular communication on everything you need to help you carry out your specific executor duties and ensure you maximize the estate's value.

Our Estate & Trust professionals are skilled in the intricacies of estate administration from both an emotional and technical knowledge perspective. We are sensitive to the complexities of your unique family dynamics and approach each situation with compassion and professionalism to make the estate settlement process as easy on you as possible.

## HOW MUCH WILL IT COST?

Recognizing that every situation is unique, we offer personalized and customizable support so that you pay only for the services you choose. In addition, using RBC Estate & Trust Services may ultimately save money for the estate and heirs because of the skill and experience your Estate & Trust advisor provides. The advantages become even clearer when the estate is complex or when you anticipate difficulties with the beneficiaries.



**If you have questions about your executor duties, speak with an RBC advisor, call us at 1-855-833-6511 or visit our website at [www.rbc.com/estateandtrustservices](http://www.rbc.com/estateandtrustservices).**

### *The value of having a partner to look after the details*

Peter was a widower who lived alone and continued to work the Alberta family farm until his sudden death in the middle of winter. Upon realizing that her father had died without a Will, Peter's daughter, Linda, went into his RBC branch to enquire about gaining control of his accounts. She was referred to an Estate & Trust advisor, who assisted Linda in applying to the court to be appointed executor of her father's estate.

Once appointed, Linda opted to have RBC Estate & Trust Services handle much of the administrative work associated with her father's farm and other assets. They quickly assumed their duties and proceeded to protect the assets, which included a house, barn, vehicles and various pieces of farm machinery. As part of the process, all farm equipment was inspected, appraised and photographed by an auctioneer, and storage insurance was placed on the assets to protect them until a spring auction could be held.

Unfortunately, an accidental fire completely destroyed the barn and its contents in late winter. Linda's Estate & Trust advisor immediately made an insurance claim and followed up until they were awarded an insurance settlement of \$22,000, payable to the estate. The remaining farm property was sold at auction, and all final tax returns were then quickly prepared and filed, allowing Linda to settle her father's estate in less than eight months.

Relieved at having expert help with all of the paperwork involved in the estate settlement, Linda was also grateful that her Estate & Trust advisor had the foresight to protect her father's property — which would not have been adequately covered by his existing insurance policy — and the tenacity to pursue the sizeable claim.

### *Expert handling of a long-distance settlement*

Richard and Max were lifelong friends who met in grade school in Victoria. They kept in touch throughout the years, although their lives had taken them to different parts of the country. When Richard, a lifelong bachelor, passed away, he named Max, his most trusted friend, executor of his estate.

Max was unsure of how to handle the administration of Richard's estate, which included sizeable gifts to charity and also named several of Richard's nieces and nephews, whom Max had never met, as beneficiaries. To further complicate matters, Max lived in Halifax and Richard was living in Vancouver at the time of his death.

While in Vancouver for Richard's funeral, Max visited Richard's RBC branch to deal with his accounts there. He discussed his situation with a customer service representative in the branch, who suggested he meet with an Estate & Trust advisor. After assessing his needs, RBC Estate & Trust Services in Vancouver was able to assist Max in his role as executor, carrying out the complete administration of Richard's estate, including managing the charitable bequests and selling the family home, which was in a very popular area of the city, all while Max retained decision-making authority.

*(continued)*

While completing the appraisal process, RBC Estate & Trust Services received enquiries about the property and even a verbal offer of \$10,000 above the home's appraised value to purchase Richard's house. Sensing that the aggressive market might work in their favour, RBC Estate & Trust Services recommended listing the property, negotiating a very low realtor's commission and, ultimately, selling the home for \$50,000 over the asking price — money that went directly to the estate.

Richard's beneficiaries were very pleased with the professionalism and expertise of the RBC Estate & Trust Services team, enabling Max to carry out his friend's last wishes efficiently and seamlessly for everyone concerned. And because Max's Estate & Trust advisor communicated with the RBC branch in Halifax whenever there was paperwork for Max to sign, Max was able to manage his executor duties from home, making it considerably easier for him to carry out the complete estate settlement.

### *Welcome help with complex family dynamics — and more unusual challenges*

Lorna and David were Ottawa snowbirds who loved to winter in Florida. When David passed away, Lorna was left to deal not only with her grief, but also with David's various commercial properties, as well as his three children from his first marriage, with whom she anticipated difficulties in settling David's estate.

After meeting with an Estate & Trust advisor in her Ottawa home, Lorna felt that having RBC Estate & Trust Services assist with the estate settlement would minimize family conflict and allow her the space she needed to grieve. In completing the documentation of assets, the team discovered dozens of boxes of school textbooks in one of David's commercial buildings, a former publishing house. Unfortunately, the textbooks were outdated, rendering them unsellable to the private sector.

RBC Estate & Trust Services was familiar with a charitable organization that collects a variety of books as part of its literacy program for third-world countries. After having the books appraised, the team co-ordinated volunteers to gather all the boxes. This resulted in a \$40,000 charitable donation receipt, which was issued to David's estate and ultimately used to offset his estate taxes.

Lorna, for her part, was able to stay at their Florida home throughout the settlement process, giving her the space she needed, while RBC Estate & Trust Services smoothly managed the administration of David's estate, including all of his bequests to his children. David's children, as well as Lorna, were equally appreciative of the tax savings RBC Estate & Trust Services realized through the significant donation receipt as well as several other tax minimization opportunities, thereby maximizing the value of the estate for all concerned.

# THE STEP-BY-STEP PROCESS TO SETTLING AN ESTATE

## PRELIMINARY STEPS

### 1. Locate the Will and Review it for Specific Instructions Concerning the Funeral.

The Will may have been kept among personal papers at home, in a safe deposit box, with a lawyer/notary or elsewhere.

#### There are Five Types of Wills Recognized in Canada:

- 1. A formal Will:** This is a Will that is normally drawn up by a lawyer and signed according to the requirements of provincial law. (Not applicable in Quebec.)
- 2. A holograph Will:** This is a Will that is written and signed entirely by the testator without the use of any mechanical process. It does not have to be witnessed. (Not valid in all provinces.)
- 3. A Will made before witness:** This is a Will written by the testator or by a third person and executed before two witnesses. (Only applicable in Quebec.)
- 4. An international Will:** This is a Will drafted and signed according to set standards agreed to by certain jurisdictions that have signed an international convention regarding Wills. (Not valid in all provinces.)
- 5. A Quebec notarial Will:** This is a Will drawn up and executed before a notary. It does not have to be probated in Quebec.

### When Someone Dies Without a Will

In Canada, if you die without a Will (legally known as dying “intestate”), a court may have to appoint someone to administer your estate.

If, after the death of someone you know, you establish that no Will was written, you have two options:

- If your provincial law entitles you to apply, you can apply to the court to be appointed as administrator of the estate (estate trustee without a Will in Ontario), after which you have the option of enlisting a professional to assist you; or
- If your provincial law entitles you to apply as administrator, you can formally request that the court appoint another person or that a corporate executor for the estate (such as RBC Estate & Trust Services) be appointed as administrator to handle all of the administration and decision-making instead of you handling it yourself.

Contrary to the common belief that the deceased's spouse will inherit everything, in most provinces or territories the spouse does not receive all of the assets. If no family members can be located, the estate assets may ultimately go to the provincial or territorial government.

*✎ In Quebec, when someone dies without a Will (intestate), the office of liquidator becomes the responsibility of the heirs. The heirs, by majority vote, may designate the liquidator. If the heirs cannot agree or if it is impossible to appoint or replace the liquidator, a liquidator may be appointed by the court or named by Ministerial Order.*

### 2. Assist with Funeral Arrangements if Required.

As the executor, one of your first duties is to assist with the funeral arrangements and take care of payment.

*✎ In Quebec, unless the deceased has specifically requested it, the liquidator does not have this responsibility. Rather, it is up to the heirs to act, and the expenses are charged to the succession.*

Many people pre-arrange their own funerals with a funeral home or preplan their funerals by leaving detailed instructions in their Will or with a family member or friend. If the deceased has died without pre-arranged funeral plans or if his or her wishes were not communicated to anyone, then as executor you should get family members' input on decisions about the funeral arrangements.

## Contacting the Funeral Home

Your first step is to contact the funeral home. The funeral director will help plan the visitation, service and burial or cremation.

## The Obituary Announcement

If you want to place an obituary notice in a local newspaper, the funeral director can help word it and arrange to place it in the newspaper.

- Be sure to include details about the time and place of visitation and the funeral services.
- If contributions are preferred instead of flowers, you may want to consider listing any charities the deceased favoured.

## The Service

If nothing was pre-arranged or preplanned, you can help family members decide what type of service would be in accordance with the deceased's personal beliefs and values.

- Will it be religious or non-religious, a funeral or a memorial service?
- Will it be held in a place of worship or a funeral chapel?
- Will there be a tribute such as a eulogy, personal remarks or readings from religious texts by a close friend or family member?
- Will you include music in the service?
- Will the casket be covered with flowers or draped with a flag? Veterans and serving members of the Canadian Armed Forces may have the Canadian flag draped on their coffins.
- Will the deceased be buried or cremated?
- Will the remains be interred? Where?

## Veterans' Allowance

Veterans of Canada's armed forces and their dependants may be eligible for burial, pension and other benefits if they meet the eligibility requirements. Veterans without sufficient funds to cover their funeral expenses may be eligible for help from the Last Post Fund. Contact your local Veterans' Affairs Office for further information.

## 3. Obtain Multiple Original Copies of the Proof-of-Death Certificate, as most Organizations That You Will Deal With as Executor Require Original Documentation.

**Proof of death can usually be any of the following:**

- Death certificate issued by the province or funeral director
- Burial certificate
- Copy of coroner's report
- Act of Death or Certificate of Death (Quebec)

You will need several original, notarial or certified true copies of the proof of death as you will be called upon by the deceased's banks, insurance companies, investment firms and other institutions to provide these as you administer the estate.

Obtaining multiple copies at the beginning will help you avoid delays or inconvenience as you proceed with settling the estate.

## 4. Ensure the Family's Immediate Financial Needs Can Be Met.

An important part of your role as executor may be to make sure the family's immediate needs are met.

They have to be able to pay their bills and have money to manage their daily expenses.

Once you have proof of death, you may be able to apply for some immediate sources of funds, such as life insurance policies, company pension plans and access to the deceased's bank account (see allowable expenses, page 16).

## 5. Review Any Marriage Contracts, Family Law Issues or Dependant Relief Issues.

The effects of marriage, such as the family patrimony, compensatory allowance, survival of the obligation to provide support and matrimonial regime legislation, may require that part of the value of the estate be paid to the surviving spouse or descendant.

*In Quebec, it may also mean that the surviving spouse owes money to the estate.*

## 6. Probate the Will (if necessary).

A probated Will is a Will that is acknowledged by the courts to be the deceased's Last Will and Testament.

It confirms the executor and acknowledges his or her authority to carry out the terms of the Will. Most financial institutions require probate before they will release a deceased person's assets because it assures the institution is handing over the deceased's assets to the person who is lawfully entitled to receive them.

Without probate, the institution cannot be assured that the Will it has been given is in fact the deceased's last Will. However, if probate has been obtained, even if the Will is challenged or ruled invalid or if a later Will is discovered (thereby revoking the Will), the financial institution cannot be held liable for releasing assets to the executor named in the probate.

When the value of the deceased's assets is relatively small, the financial institution may allow the executor to sign a Bond of Indemnity in lieu of obtaining probate.

However, executors often find that administering the estate is easier when they obtain probate since it is unlikely that anyone will question their authority to gather and deal with the deceased's assets.

**To apply for probate, you will need the following documents:**

- Original Will (and any codicils)
- Affidavit of Witness to the Will/codicil (in most provinces)
- Depending on the province, the court may also require the executor to list the value of the estate assets on the probate application form supplied (not applicable in Quebec)

*In Quebec, probate can be obtained by depositing a motion for probate before the superior court where the deceased resided. If he or she did not reside in Quebec, the motion for probate is obtained before the court of the district in which the testator died or the district where he or she owned property. The Will may also be probated by a notary on the application of any interested person. Probate is not required for notarial Wills.*

Once the court receives the required documentation from you, it will issue one of the following documents, depending on the province or territory:

Province	Estate Documentation	Authorized Executor
Ontario	Certificate of Appointment of Estate Trustee with a Will	Estate trustee with a Will
Alberta	Grant of Probate	Personal representative
Manitoba, Northwest Territories, Yukon, Nunavut	Grant of Probate	Executor
Quebec	Probate Will	Liquidator
British Columbia, Saskatchewan and Atlantic Canada	Letters Probate	Executor

These documents confirm that the Will is the deceased's Last Will and Testament and that it conforms to the law. Depending on the province, it also confirms the authority of the person(s) named as executor(s) in the Will.



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The court will issue Letters of Administration or Letters of Administration with Will Annexed instead of Letters of Probate or Grant of Probate, depending on the province, in the following cases (not applicable in Quebec):

- A person dies intestate (without a Will)
- The deceased had a Will but did not appoint an executor
- All the executors named in the Will are deceased, unable to act or decline to act

In Ontario, where a person has died intestate, Letters of Administration are known as a Certificate of Appointment of Estate Trustee without a Will.

*In Quebec, where a person has died intestate, a Declaration of Heirship stating who the legal heirs of the deceased are is generally executed.*

## First Nations Members

If the deceased was a First Nations member who ordinarily resided on a reserve, estate documentation as detailed in the chart on page 13 will not be required. A document known as a Ministerial Order will be issued by the Ministry of Indian and Northern Affairs, naming the executor under the provisions of the Indian Act.

## 7. Pay Probate Taxes to Provincial Government as Determined.

In all provinces except Quebec, when an executor applies to the court for probate, a tax must be paid to the provincial government.

The tax is based on the value of the estate assets. Certain assets do not form part of a deceased's estate at death. These generally include jointly owned assets held with right of survivorship and life insurance policies, RRSPs, RRIFs and similar investments that have a beneficiary other than the deceased's estate designated on the plan.

## BENEFICIARY RELATIONSHIP

### 8. Communicate Directly with Beneficiaries, Gather Information and Set Expectations.

Settling an estate can often stir up family tensions or create conflict between beneficiaries who are under emotional stress.

As executor, it's important to make every effort to communicate effectively with beneficiaries and to manage tensions where you can to ensure the smoothest possible estate settlement.

Once you've obtained a copy of the Will and the funeral has taken place, arrange a meeting as quickly as possible with the beneficiaries to discuss your duties and obligations to them, as well as their expectations of you and the process you will follow in settling the estate.

**Your duties on behalf of the beneficiaries will include some or all of the following:**

- Obtaining the Grant of Probate (or provincial equivalent), if necessary, in order to deal with the deceased's assets
- Paying the estate's debts and taxes
- Producing full accounts to the beneficiaries showing how you have handled the estate assets and obtaining the beneficiaries' written approval of the accounts
- Distributing the personal property and the remainder of the estate to the beneficiaries according to the Will
- Filing the estate's final income tax return (also called the "terminal" return)
- Always being ready to account to the beneficiaries for your handling of the estate's assets



### Beneficiaries typically want to know:

- That the executor has done his or her job properly — if the executor misses something, it could have an impact on the beneficiaries
- That the debts and taxes of the estate have been paid
- That reasonable funeral expenses have been paid
- That the estate accounts and investments are earning a reasonable return
- That the executor has distributed the personal property to the designated people
- That the remainder of the estate is being distributed according to the terms of the Will
- What fees the executor will receive for his or her work in administering the estate

### Avoiding Conflict over Executor's Fees

As executor, you are entitled to charge a fee for administering the estate. The fee is payable out of the estate, and details of the executor's (or agent's) fee should be included in the estate accounts.

*In Quebec, the liquidator is entitled to remuneration if he or she is not an heir. As an heir, he or she may be remunerated if the Will so provides or the heirs or the court agrees.*

#### To avoid conflict or misunderstanding over executor's fees:

- Keep detailed accounts
- Keep a detailed log of the time spent on each aspect of estate administration to illustrate the number of hours involved
- Explain how the fee is calculated. Often, the fee is 3% to 5% of the value of the estate, depending on the province. Provincial laws provide that the executor's fee must be fair and reasonable in proportion to the size of the estate and the work done by the executor.

## 9. Provide Regular Updates to Beneficiaries Regarding the Status of the Administration.

Beneficiaries dislike long periods of silence while executors do their work. If they don't hear from the executor, they may let their concerns build and not raise them until the executor presents the estate accounts.

To maintain the best possible relationship with the beneficiaries, it's a good idea for you to be proactive and keep them informed as the administration progresses. By being in regular contact with the beneficiaries, they have a better understanding of the work you are doing. They also have the opportunity to voice concerns as they arise.

It also shows the beneficiaries that you have their best interests at heart, which may prevent the stress and legal costs of having to present the accounts for court approval.

If regular meetings with beneficiaries aren't possible or practical, send regular written updates to all concerned about what you've completed and what your next steps will be.

## 10. Provide a Copy of the Estate Summary Document to Those Beneficiaries Who Are Entitled to One.

Depending on the province, beneficiaries who receive specific bequests (e.g. an item of personal property) are not entitled to a copy of the estate summary. Only those who will receive the balance of the estate need the full document.

*In Quebec, the estate summary document is referred to as an estate inventory.*

## 11. Communicate with the Residual Beneficiaries Regarding the Distribution Process.

Ongoing updates to the beneficiaries about the estate settlement are key as you will need the residual beneficiaries to provide you with written approval of the estate's accounts confirming that they are satisfied with how the estate has been administered. It is a good idea to obtain signed releases confirming that the beneficiaries accept the amounts shown in the accounts in full satisfaction of their entitlement under the Will and waive their right to sue you in the future.

If a beneficiary refuses to approve the estate accounts, the executor can apply to the court to have the accounts reviewed/approved.

When approved, the executor can distribute the remainder of the estate without the signature of the outstanding beneficiary. However, it is usually wise to avoid an application to court if at all possible as this process causes delays and incurs legal costs.

### SAFEGUARDING THE ESTATE ASSETS

## 12. Verify That Adequate Insurance Is in Place to Protect Assets.

To protect the assets from loss, theft or destruction, you should take them into your custody or safeguard them until they are sold or distributed.

You should also evaluate whether there is sufficient insurance coverage for assets such as real estate, vehicles or personal possessions.

Notify the insurance company of the death and request to have your name added as executor to any existing policies. This is especially important for residences that may be left vacant. Homeowners' insurance policies may be rendered invalid if a residence is left vacant for a period of time.

It is also important to notify the insurance company if someone other than the person(s) listed in the policy will be driving the vehicle.

## 13. Notify Banks and Institutions Where the Deceased Held Accounts or Had Other Dealings.

Notify the deceased's bank or other financial institutions as soon as possible, and arrange to meet with a bank representative to provide proof of death and present yourself as the executor.

### Allowable Expenses

When a financial institution is advised of a client's death, the deceased's account(s) will be frozen.

This means that no cheques or cash can be withdrawn from the deceased's account for any reason except certain expenses.

These expenses vary between financial institutions, so you should confirm what the deceased's institution will allow. Generally they include funeral expenses, probate taxes, property taxes, income taxes, public utility bills, and auto and home insurance payments.

*In Quebec, generally the following expenses can be paid out of the deceased's account: funeral expenses, court probate fees (for non-notarial form Wills) and, if necessary, public utility bills and debts in urgent need of payment.*

As the executor, you can make arrangements with the bank to have these expenses paid out of the deceased's personal deposit account.

### Canada Pension Plan and Quebec Pension Plan Deposits

Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) benefits will still be paid to the deceased for the month of death, and these cheques or direct deposits can be deposited into the deceased's bank account.

### GST/HST Credits

If the deceased was receiving GST or HST quarterly credits, the estate is entitled to them if the cheque was issued before the date of death. If the cheque was issued and received after the date of death, the payment must be returned with notification of the date of death.

## Old Age Security

Old Age Security payments will still be paid to the deceased for the month of death, and this cheque or direct deposit can be deposited into the deceased's bank account.

## Sole Bank Accounts

If the deceased was the only account holder, ask the deceased's bank what it requires in order for them to release the bank account.

In most cases, you will have to provide copies of the estate documentation, such as Letters Probate or Grant of Probate.

*✎ In Quebec, estate documentation varies depending on the type of estate (that is, if a Will exists). If there is a Will, it depends on the type of Will (see the chart on page 11).*

## Joint Bank Accounts — All Provinces Except Quebec

Joint accounts are typically set up either in the form of joint tenancy with right of survivorship or as tenants in common.

Account documents signed by the deceased with the financial institution may only deal with the legal ownership of the account between that institution and the surviving owner(s).

Supreme Court of Canada decisions have shed some light on the ownership issues that arise when an account is set up as joint tenancy with right of survivorship between the deceased and another person. It is therefore important to try to verify the correct beneficial ownership of these accounts. To do so, you may have to try to determine the intentions of the parties at the time the account was created.

If you determine that the account should be beneficially owned by the estate, you may have to take steps to recover the funds from the surviving owner(s) on behalf of the estate.

*✎ In Quebec, where there is no right of survivorship, you, as liquidator, will need to advise the bank in writing how to dispose of the balance of the account.*

*You will be required to provide the bank with a certified true copy of the notarial Will, the probated Will or the Declaration of Heirship if the person died without a Will, together with written instructions from you (the liquidator) and the surviving account holder, along with a Declaration of Transmission form.*

## 14. Cancel All Credit Card Accounts and Return Cards to Issuers.

Return all credit cards to the issuing financial or other institution as soon as possible so the issuer can block the cards from further use. If the card was in the deceased's name only, make arrangements to pay any outstanding balance if not insured.

If there is a co-applicant on the card, let him or her know that he or she must stop using the card immediately. He or she can make arrangements with the issuer to either maintain the account or apply for a new one.

## 15. Open an Estate Account to Deposit Income and Pay Expenses, Transferring Any Balances.

In most situations, you should open an estate bank account to manage the estate's assets or to pay expenses that may be incurred in the administration of the estate.

You can use the estate bank account to deposit the proceeds from the sale of the deceased's property or pay expenses such as income tax or municipal property taxes.

You can open an estate bank account at any bank or financial institution, whether or not the deceased was a client of that bank. Depending on the financial institution you deal with, you may be able to open an estate bank account before you provide estate documentation (see the chart on page 13).

However, generally no funds can be released until the bank receives the estate documentation. Once the bank has the estate documentation, you can make transactions within the estate bank account.

Cheques on the estate bank account must be signed by the sole executor or, where there is more than one executor named in the Will, jointly by all the estate executors or otherwise as provided in the estate documentation.

## VALUING THE ESTATE

### **16. Locate All Original Investment Certificates, Stocks, Bonds, Property Deeds, etc. in the Deceased's Personal Files and Safe Deposit Box.**

#### **Safe Deposit Boxes**

You will need the key to the deceased's safe deposit box so you can list the contents and access any life insurance policies or other important documents it may contain, such as the Will.

A bank representative may help you, as the executor, to list the contents of the box. In British Columbia, no contents can be released until the safe deposit box items have been itemized.

Estate documentation and written authorization are required to release all the contents of the box to you or the surviving joint lessee. However, certain documents such as cemetery plot deeds, Wills and life insurance policies may be released before estate documentation is received by providing a proof of death.

The financial institution will advise you of its policies. Once the financial institution receives the estate documentation, the remaining contents can be released.

If the deceased was the sole owner of the safe deposit box, the bank will require your written authorization to release the balance of the contents. If the deceased held the safe deposit box jointly with another lessee, the surviving lessee must notify the branch in writing to release the remaining contents.

*☞ In Quebec, the joint lessee's and the liquidator's written authorization will be required for the removal of the contents from the safe deposit box.*

#### **Small Estates**

In the case of small estates, the financial institution may release the assets of the estate without proper estate documentation. This may allow you to avoid probate costs, where applicable, and any associated legal fees with respect to assets held with the financial institution. Contact the financial institution holding the assets in the name of the deceased to determine its respective requirements.

#### **Foreign Assets**

There are particular complexities in dealing with foreign assets, such as Florida properties or U.S. securities, including possible foreign tax reporting and filing obligations. You may wish to consider consulting a tax or legal expert if the estate includes this type of asset.

### **17. Identify, Value and Record Estate Assets as They Stood at the Date of Death.**

Making an inventory of the estate's assets is one of the most significant tasks you will face. Copies of the deceased's most recent bank statements, investment statements and income tax return, as well as the contents of the safe deposit box, can provide you with details about some of the deceased's assets.

Ideally, the deceased will have left a list of assets that you can use as a starting point.

#### **When Making the Inventory**

- Determine the market value of each asset at the date of death. You will also need the tax cost to calculate capital gains or losses to be reported on the final tax return. The tax cost of an asset is generally its purchase price.
  - In the case of an asset such as real estate, the cost of certain capital improvements and renovations may also be included.
  - A capital gain is basically the profit earned or realized on the sale or deemed disposition of an asset. For example, if you bought a vacation home at \$100,000 and later sold it for \$150,000, the capital gain on it would be \$50,000.
- For life insurance, RRSPs, RRIFs and similar plans, determine if a beneficiary has been named or if an asset was held jointly, and whether there is a right of survivorship. If so, these assets may not have to be included as part of the estate.
- Finally, decide if any assets should be sold and the proceeds paid to the estate. You will need to refer to the Will to determine whether assets are to be transferred to a beneficiary or sold.

*☞ In Quebec, the law prescribes the form and the content of the inventory. The liquidator may be exempt from making the*

*inventory, but there are serious repercussions for the heirs and successors if they agree to such an exemption. They automatically become heirs of the estate and are liable for all debts of the estate, even to the extent of becoming impoverished themselves. If the inventory is made as prescribed by law, the heirs and successors are liable only for the debts up to the value of the property they take.*

## 18. Investigate all Debts Owed by the Deceased.

### Loans, Mortgages, Lines of Credit

Ask the deceased's bank or other financial institutions for a list of outstanding liabilities, the amount owed on each and whether or not the loans were life insured. The bank will provide the appropriate insurance forms for insured loans and help you process them.

**If loans that become the responsibility of the estate were not insured, there are usually two ways they can be repaid:**

- Use the proceeds from the estate, such as from the sale of assets or from life insurance policies.
- A financial institution could exercise "right of offset" where the deceased's assets (either investments or cash in a personal deposit account) would be used.

You can meet with a bank representative to discuss how the loans will be repaid.

### Advertisement for Creditors (not applicable in Quebec)

To identify any actual or potential claims against the estate and protect it against any future claims, it is wise to advertise for creditors.

This also protects you as the executor. If advertising for creditors has not been done, you could be personally liable for a creditor's claim that surfaces after the assets have been distributed.

## 19. Apply for and Collect Canada Pension Plan (CPP) and/or Quebec Pension Plan (QPP) Death Benefit.

The CPP/QPP death benefit is a one-time payment of up to \$2,500 on behalf of the estate of a deceased CPP/QPP contributor. Application forms are available on the Service Canada and Régie des rentes du Québec websites.

## 20. Contact the Deceased's Employer or Former Employer Regarding Pension Plans, Retiree Benefits and Death Benefits.

### Employment Benefits

If the deceased was employed at the time of death, the employer's human resources department should be able to confirm whether the deceased was entitled to any benefits such as final salary, bonuses, vacation pay or a death benefit.

### Company Pensions

**Under a company pension plan the deceased's spouse, beneficiary(ies) or estate could be eligible for one of the following benefits:**

- A lump sum based on the contributions made to the plan while the deceased was employed, plus interest
- A lump sum based on an actuarial calculation
- A deferred pension benefit

Again, the employer's human resources department should be able to confirm any pension benefits.

## 21. Apply for and Collect Life Insurance and Other Insurance Benefits.

### Life Insurance Policies

Once you have a copy of the life insurance policy, contact the company to initiate payment. You will be required to provide proof of death together with your written request.

If there is a named beneficiary, the proceeds from the policy will usually be available in about 30 days and paid directly to the named beneficiary.

There may be special procedures for payment if the beneficiary is a minor or a person with a disability. If the deceased named the estate as the beneficiary, there could be a considerable delay before any funds are released to the estate, as estate documentation is required to release the funds.

If you can't find the life insurance policy, contact the OmbudService for Life & Health Insurance (OLHI) to perform a search on your behalf. OLHI can be reached at 1-800-268-8099.

### **Other Insurance Benefits**

The deceased may also have been covered by a group insurance plan through his or her employer or other organizations he or she belonged to such as alumni and professional associations. If the deceased was involved in a car, plane or train accident, he or she may be covered by an automobile club or by a credit card issuer.

## ADMINISTERING THE ESTATE

### **22. Review the Suitability of Investments Held in the Estate and Recommend Which Assets Are to Be Sold to Meet Cash Requirements.**

The executor should consider the suitability of specific investments when managing the assets of the deceased. In some cases the Will of the deceased may provide guidance as to which investments the executor is allowed to purchase and hold.

When the Will is silent with respect to suitable investments, the executor must rely on the Trustee Act or comparable legislation of the province (or Civil Code in Quebec) to determine whether an investment is permitted. If an executor makes or holds an investment that is not permitted, he or she may be held personally liable to the beneficiaries for the consequences of that investment.

In most provinces there is no longer a list of authorized investments to guide an executor. These lists have been replaced by the standard of the "prudent person" or "prudent investor." This

requires the executor to invest the assets as a prudent person would invest his or her own property, taking into consideration such things as the needs of the beneficiaries, the need to preserve the estate and the amount and regularity of income required.

It is important to consult with a qualified investment professional to review the risk level of the investments to mitigate any short-term losses. Based on this review, the executor should authorize changes to the portfolio where legally allowable or as set out in the Will.

If cash is required to pay the estate's debts, certain investments may need to be liquidated. This should also be undertaken prudently, bearing in mind the best interests of the beneficiaries.

### **23. Invest Any Surplus Cash Until the Estate is Finalized, Selecting from Allowable Investments.**

Following the standard of the "prudent person" or "prudent investor," it is a good idea to invest any surplus cash until the estate settlement is finalized, again considering the needs of beneficiaries and preservation of the estate assets.

### **24. Assist in Establishing Any Trusts Stipulated in the Will.**

Trusts are often utilized as a way of passing on assets to future generations or to ensure the long-term needs of a family member or another named individual are met. If a trust is created in the Will for a beneficiary, then the assets as set out in the Will must be delivered by the executor to the appointed trustee(s).

### **25. Cancel CPP, QPP and/or Old Age Security (OAS) Benefits.**

When a CPP, QPP and/or OAS pensioner/beneficiary dies, his or her benefits must be cancelled. Benefits are payable for the month in which the death occurs; benefits received after that will have to be repaid. This includes the following:

- Old Age Security Pension, including
  - Guaranteed Income Supplement
  - Allowance
  - Allowance for the Survivor

- CPP retirement pension
- CPP disability benefits
- CPP children's benefits
- CPP survivor benefits

You should contact Service Canada and/or the Régie des rentes du Québec as soon as possible to notify them of the date of death.

## 26. Apply for CPP/QPP Survivor's Pension and/or Children's Benefits and Allowance for the Survivor.

The deceased's spouse and/or children may be entitled to monthly survivor benefits if the eligibility requirements are met.

For CPP/QPP benefits, the surviving spouse, including a common-law spouse, must generally be at least 35 years old to receive an immediate survivor benefit (unless raising one or more dependent children), and the children must be either under 18 or between 18 and 25 and attending school full time.

**There are basically two types of monthly survivor benefits:**

- A monthly survivor pension for the spouse
- A monthly orphan benefit for the children, available even if there is still one living parent

Application for these benefits may be made, even if the deceased was not receiving CPP or QPP benefits at the time of death but paid into CPP or QPP during his or her lifetime.

To be eligible for the Allowance for the Survivor, the surviving spouse must reside in Canada or return to reside in Canada, be between 60 and 64 years of age, have a low income and not be remarried or not have entered into a new common-law relationship for more than 12 months.

To receive further information about these benefits, contact your local Service Canada office listed under the Government of Canada section in the telephone directory or check the website at [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca).

For information about QPP benefits, contact the Régie des rentes du Québec or visit [www.rrq.gouv.qc.ca](http://www.rrq.gouv.qc.ca).

## 27. Advise the CRA to Discontinue or Transfer GST/HST Credits and Child Tax Benefits.

### GST/HST Credits

It's important to contact the CRA and/or Revenue Quebec to cancel any future GST/HST credits.

### Child Tax Benefits

If the deceased was receiving federal or Quebec government child tax benefits, contact your local CRA Tax Centre to advise them of the death. Check to see if the deceased's spouse or children's guardians are entitled to receive these benefits.

*In Quebec, the CRA will forward the change to the Régie des rentes du Québec.*

## 28. Complete Documentation and Arrange to Transfer Employment, Health, Pension and Retiree Benefits.

Coverage for the deceased's spouse and children under the deceased's former employer's group health insurance plan may also continue for a period of time after his or her death. Find out how many months of coverage the family will have and which medical or dental expenses are covered if any.

If the deceased was retired at the time of death, arrange to have any pension benefits transferred to the deceased's spouse.

## 29. Return Social Insurance Card, Passport, Driver's Licence and Health Card, Obtaining Any Appropriate Refunds.

Return government documents such as the social insurance card, passport, health insurance card and driver's licence. Keep a record of the different cards' numbers or make photocopies of them for future reference as you may need the numbers to claim government benefits or pensions for family members or beneficiaries.

### Social Insurance Card

Send the social insurance card, proof of death and an explanatory note to your local Human Resources Centre of Canada office.

To find the address of the nearest office, look under the Government of Canada section in your telephone directory.

## Passport

Return the passport to your local passport office or the central passport office with a letter of explanation to:

### Passport office

Foreign Affairs and International Trade Canada  
Ottawa, Ontario, K1A 0G3

## Health Insurance Card

Contact your provincial health/social services department and ask if the health insurance card needs to be returned to them. In some provinces, such as Quebec, the funeral director will send back the card on your behalf.

## Driver's Licence

Call your provincial motor vehicle department and ask if you need to return the driver's licence. A refund for the unused portion of the term of the licence may be issued when you return it.

## 30. Complete "Housekeeping" Tasks.

There are a number of housekeeping tasks that fall under your role as executor. They may include any or all of the following:

- Terminating the deceased's lease or arranging to sublet premises
- Cancelling newspaper and magazine subscriptions, club memberships, telephone, digital TV, Internet services, and gardening and/or snow removal contracts
- Rerouting mail
- Arranging for care or adoption of pets

No matter how minor they may seem, always keep a written record of cancellations or other arrangements made on behalf of the estate.

## 31. Pay All Debts and Settle All Legitimate Claims Prior to Final Distribution of Assets, Obtaining Receipts for Any Payments Made.

Once the creditor advertisement period has expired (not applicable in Quebec), you can move on to settling any legitimate claims against the estate. Remember to keep all payment receipts in your estate settlement file.

*In Quebec, the liquidator pays the known creditors and known legatees as and when they present themselves.*

## TAXES

## 32. Obtain a Copy of the Last Tax Return Filed by the Deceased.

## 33. Complete and File All Outstanding Tax Returns and Pay Any Required Income Taxes.

This means you may have to complete and file several tax returns as discussed below.

### Final/Terminal Tax Return

You will have to file a final or terminal return for the deceased covering the period from January 1 of the year of death to the date of death.

If the date of death occurred between January 1 and October 31, the tax return is due by April 30 of the following year. If the date of death was between November 1 and December 31, the tax return is due six months after the date of death.

Any taxes owing must be paid at this time. If the taxes owing are not paid by the due date, interest will be added to the final tax bill.

If the return is filed late, penalties will also be charged. You may have to contact the CRA at 1-800-959-8281 or [www.cra.gc.ca/contact](http://www.cra.gc.ca/contact), or Revenue Quebec, for information you need to prepare the final return.



**If you have questions about your executor duties, speak with an RBC advisor, call us at 1-855-833-6511 or visit our website at [www.rbc.com/estateandtrustservices](http://www.rbc.com/estateandtrustservices).**



Before either will give you any information, you must provide the following:

- Proof of death
- The deceased's social insurance number
- Estate documentation proving you are the executor

You will need to report any income earned or received from January 1 in the year of death until the date of death. This includes, but is not limited to, the following amounts:

- Salary, wages or vacation pay
- Pension income
- Interest on government or corporate bonds
- Income from other assets such as mutual funds, shares, GICs, term deposits, etc.

In addition, there may be a tax advantage to reporting income owing but unpaid as of death on a separate income tax return called a "rights and things" tax return. Rights and things refers to income items that are earned and/or receivable at the time of death, but not received prior to death.

## Capital Gains and Losses

You must attach a schedule of capital gains and losses with the final return.

Capital gains are basically the profits earned or realized on the sale or deemed disposition of certain assets such as stocks and real estate.

When assets decrease in value, a capital loss will result. For taxation purposes, the deceased is generally considered to have sold most assets at fair market value immediately before death, even though the sale did not actually take place. You will need to determine the fair market value and tax cost of assets in order to calculate any capital gains or losses.

Special rules apply if a net capital loss is realized in the year of death. Special rules may apply to certain properties, including the following:

- Principal residence
- Assets left to a spouse or common-law partner
- Property left to charities
- Farm property
- Eligible shares of a small business corporation

## RRSPs and RRIFs

When an annuitant dies, the fair market value of his or her RRSPs and RRIFs is generally included in income on the final tax return. In certain circumstances, a plan can continue for a surviving spouse or common-law partner and is not taxed on the deceased's final return.

In other circumstances, if the beneficiary of the RRSP or RRIF is a spouse or common-law partner or an eligible financially dependent child or grandchild, it may be possible to report some or all of the value of the plan on the beneficiary's income tax return rather than on the deceased's final return. This is particularly beneficial if the beneficiary is taxed at a lower tax rate or is able to transfer some or all of the proceeds to a tax-sheltered plan for him or herself.

## Tax-Free Savings Account (TFSA)

When an annuitant dies, the fair market value of his or her TFSA on the date of death is not subject to tax and will be received by the estate tax-free.

If the TFSA assets are transferred to a beneficiary under the Will, they will still be received by the beneficiary tax-free. However, any growth in value accrued after the date of the annuitant's death will be taxable to the beneficiary when paid out to him or her, or taxed within the TFSA if not paid out by the end of the calendar year following the year of death, unless the surviving spouse or common-law partner becomes the successor holder of the TFSA. Further information is available at [www.rbc.com](http://www.rbc.com).

The authority to assign a beneficiary or successor holder at the account level is determined by each provincial jurisdiction. All provinces (except Quebec) allow for the designation of either a successor holder and/or beneficiary on a TFSA. You may wish to verify with your legal advisor if any designations made by the deceased are valid.

## Tax Deductions and Credits

Be sure to claim all available tax deductions and credits, including:

- RRSP contributions (subject to the deceased's deduction limit and the annuitant not being over the RRSP age limit during the year) to the deceased's plan if made prior to death
- RRSP contributions to the deceased spouse's or common-law partner's RRSP made prior to death or within 60 days following the end of the year of death
- Charitable donations and medical expenses as special rules apply in the year of death
- Personal tax credits for the entire year

The CRA has a number of publications that may be helpful, including the following:

- Preparing Returns for Deceased Persons (Form T4011)
- Death of an RRSP Annuitant (Form RC4177)
- Death of a RRIF Annuitant (Form RC4178)

These publications and other forms are available at your local CRA office or from the CRA website at [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca).

## Prior Year's Tax Returns

File all outstanding tax returns from previous years that the deceased was required to file during his or her lifetime. If the deceased died between January 1 and April 30 without having filed the previous year's return, the tax return should be filed no later than six months after the date of death. No interest or penalties will be payable until six months after the date of death. However, if the deceased's death occurred after April 30, the prior year's return is already late, and interest and penalties will apply.

## Estate Tax Return

If the estate earned income after the deceased's death, a tax return for the estate covering the period from the date of death until the date that the estate assets are distributed to the beneficiaries should be completed and filed.

*✎ If the deceased was a resident of Quebec, you must also complete and file a final Quebec provincial tax return.*

## Foreign Income Tax Return

Depending on factors such as whether the deceased owned foreign property or received foreign-source income, or what the deceased's citizenship or domicile was at death, you may have to complete and file a tax return in another country.

If the deceased was a Canadian resident living part time in the U.S. or was a U.S. citizen or green card holder, you may need to file a U.S. income tax return.

## U.S. Estate Tax Return

If the deceased owned U.S. assets such as securities issued by U.S. corporations or U.S. real estate, or was a U.S. citizen or green card holder, you may need to complete and file a U.S. estate tax return.

For more information, contact the Internal Revenue Service at 1-215-516-2000 or through their website at [www.irs.gov](http://www.irs.gov).

## Sole Proprietorships and Partnerships

The deceased may have been a sole business owner or in partnership with others. As the executor, you must address and administer the deceased's business arrangements in either case. For a partnership, there may be partnership or other agreements that will need to be reviewed and dealt with.

## 34. Obtain Tax Clearance Certificate(s) from the CRA (and Revenue Quebec if Applicable) Once the Notice of Assessment(s) is Received, Confirming That All Tax Liabilities Have Been Settled.

### Notice of Assessment

Once the CRA (and, if applicable, Revenue Quebec) processes the final tax return, it will issue a Notice of Assessment. A Notice of Assessment is a statement showing the income tax liability for a particular year and any amount still owing or refundable.

If you don't agree with the Notice of Assessment, you can file a Notice of Objection. However, this may delay the final settling of the estate.

### Tax Clearance Certificate

If you agree with the Notice of Assessment, you should then apply to the CRA (and, if applicable, Revenue Quebec) for a Tax Clearance Certificate (Form TX19).

A Clearance Certificate is a written confirmation that all tax liabilities of the deceased have been paid or that acceptable security for payment has been provided.

The Clearance Certificate covers not only the year of death, but all prior years as well. If you distribute assets of the estate prior to receiving a Clearance Certificate, you could be personally liable for any taxes owing if there are not sufficient funds remaining in the estate to cover the payment. The Clearance Certificate is your assurance that you, as the executor, are relieved of any personal liability for future taxes.

## DISTRIBUTION

### **35. Initiate Sale of Assets and Transfer of Titles.**

#### **RRSPs and RRIFs**

Generally, an individual's RRSPs and RRIFs will be redeemed following his or her death.

If he or she has designated a beneficiary under the plan, the proceeds will usually be paid to the beneficiary. If the beneficiary of an RRSP is the deceased's spouse, he or she may elect to have the proceeds paid to the surviving spouse's RRSP. If no beneficiary is named under the plan, the proceeds of the plan should be paid to the estate to be distributed according to the terms of the Will.

Beneficiary designations made in an RRSP do not automatically carry over to a RRIF. In certain circumstances, it may be possible for the deceased's RRIF plan to continue if his or her spouse or common-law partner is named as successor annuitant.

Alternatively, the spouse or partner could transfer the proceeds to his or her own tax-sheltered plan. If the beneficiary is a financially dependent child or grandchild who is either infirm or under the age of 18, there may be an opportunity to transfer the proceeds to a tax-sheltered plan for the child or grandchild.

Consult with an estate professional to ensure that registered plans are dealt with in the most advantageous manner for all beneficiaries.

#### **Non-Registered Investments**

The deceased may have held investments outside of an RRSP or RRIF, including GICs, term deposits and mutual funds. To redeem these investments, notify the financial institution,

stockbroker or investment firm in writing.

#### **Stocks and Bonds**

Contact the deceased's stockbroker or investment firm to determine what is required to transfer the stocks or bonds to the estate or a beneficiary designated in the Will.

Normally, the stockbroker will ask that a Declaration of Transmission be completed, and in most cases he or she will provide the form.

Depending on the terms of the Will and the wishes of the beneficiaries, you may arrange to sell the stocks or bonds and distribute the proceeds to the beneficiaries, or transfer the stocks or bonds to them in kind.

#### **Principal Residence**

If the deceased owned a home in joint tenancy with right of survivorship, the property passes to the surviving joint owner (except in Quebec). In this case, the property does not form part of the estate. It is important to legally register the title in the surviving spouse's name.

If the deceased was the sole owner of the home and left it to beneficiaries named in the Will, it may be possible to either transfer the title to the beneficiaries or sell it and distribute the proceeds to the beneficiaries as set out in the Will.

There may be additional issues if the residence is owned as tenants in common or a matrimonial home and the surviving spouse is not a joint tenant or is not named as beneficiary.

*In Quebec, the right of survivorship does not apply. If the deceased owned a home with someone else, the property will be registered in the name of the estate of the deceased and the surviving joint owner.*

#### **Vehicles**

You will need to transfer ownership or sell the vehicle as set out in the Will. Most provincial motor vehicle departments require a copy of the Will and proof of death.

You may also be asked to fill out a particular form, such as a Sworn Statement of Family Gift in Ontario, and have it notarized.

Check with your provincial department of motor vehicles for the specific procedure for transfer of ownership in the event of death.

### **36. Begin Distributing Assets to Beneficiaries According to the Terms of the Will.**

It is very important that you distribute the assets only after you are certain that there are sufficient funds to pay the deceased's debts and outstanding taxes.

You should also withhold sufficient funds to cover any unexpected tax liabilities until obtaining the Tax Clearance Certificate from CRA (and, if applicable, Revenue Quebec).

As mentioned previously, certain assets do not form part of the deceased's estate. Assets with a named beneficiary other than the deceased's estate are generally not included in the estate. These assets may, nonetheless, create a tax liability on death, which will be payable by the estate.

### **37. Distribute Specific Bequests, Obtaining Receipts from Each Respective Beneficiary.**

Gifts of personal belongings are called bequests. The deceased may have itemized a list of personal belongings in the Will or attached a letter to the Will specifying how he or she wants personal possessions to be distributed.

These lists or letters may or may not be legally binding on the executor. You must keep all signed receipts when distributing bequests.

### **38. Prepare a Reckoning of Your Expenses (and Any Compensation) as Executor.**

As executor, you may be entitled to receive financial compensation. The fee may be stipulated in the Will or agreed upon by the beneficiaries. At a minimum, you are entitled to reimbursement of any reasonable expenses incurred while carrying out your duties.

It may not be advantageous to receive compensation if you are both the main beneficiary of the estate and the executor.

Any compensation you receive, with the exception of reimbursement for direct expenses, is taxable as income, whereas inheritances are not taxable in Canada.

### **39. Arrange for Final Distribution of Remaining Assets, Obtaining Receipts from Each Beneficiary.**

After all bequests, legacies, expenses, fees, taxes and debts have been paid, there may be remaining assets of the estate, called the residue. Distribute this to the beneficiaries as set out in the Will and make sure you obtain receipts.

### **40. Prepare a Final Accounting of All Assets, Liabilities, Expenses and Distribution of Assets for Beneficiaries.**

Your final responsibility is to prepare an accounting to the beneficiaries stating what assets the deceased owned at death, what expenses and debts were paid and how the remaining assets were distributed. You can refer to your estate bank account statement to help you prepare this report.

### **41. Have Each Adult Beneficiary Approve the Accounting and Sign a Release Form.**

When the report is ready, ask the adult beneficiaries to approve it and have them sign your release from further responsibility in administering the estate.

You may also wish to consider having the final report approved by the court. This might be the best course to take if the beneficiaries are under the legal age of majority or there are any questions about your administration of the estate.

### **42. Advise the Bank in Writing to Close the Estate Account Once the Estate is Settled.**

Be sure to keep a copy of the written request to close the account in your estate settlement file.

### **43. Advise Beneficiaries to Consult With a Financial Advisor.**

A professional advisor can assist a beneficiary in developing a long-term financial plan, ensuring that the investment choices the beneficiary makes in handling the inheritance will help to meet his or her immediate and long-term financial goals. He or she can also ensure the most advantageous treatment of an inheritance.

# EXECUTOR DUTIES CHECKLIST

Whether you are currently settling an estate or planning to appoint an executor\* in the future, the following checklist can help prepare you for the key tasks involved. If you have questions about any of your duties or want more information about how you can get help from an Estate & Trust professional, please call 1-855-833-6511.

TASKS	COMPLETE	PAGE REFERENCE
<b>PRELIMINARY STEPS</b>		
1. Locate the Will and review for specific instructions concerning the funeral.	<input type="checkbox"/>	11
2. Assist with funeral arrangements if required.	<input type="checkbox"/>	11
3. Obtain multiple original copies of the proof-of-death certificate, as most organizations that you will deal with as executor require original documentation.	<input type="checkbox"/>	12
4. Ensure the family's immediate financial needs can be met.	<input type="checkbox"/>	12
5. Review any marriage contracts, family law issues or dependant relief issues.	<input type="checkbox"/>	13
6. Probate the Will (if necessary).	<input type="checkbox"/>	13
7. Pay probate taxes to provincial government as determined.	<input type="checkbox"/>	14
<b>BENEFICIARY RELATIONSHIP</b>		
8. Communicate directly with beneficiaries, gather information and set expectations.	<input type="checkbox"/>	14
9. Provide regular updates to beneficiaries regarding status of the administration.	<input type="checkbox"/>	15
10. Provide a copy of the estate summary document to those beneficiaries who are entitled to one.	<input type="checkbox"/>	15
11. Communicate with the residual beneficiaries regarding the distribution process.	<input type="checkbox"/>	16
<b>SAFEGUARDING THE ESTATE ASSETS</b>		
12. Verify that adequate insurance is in place to protect assets.	<input type="checkbox"/>	16
13. Notify banks and institutions where the deceased held accounts or had other dealings.	<input type="checkbox"/>	16
14. Cancel all credit card accounts and return cards to issuers.	<input type="checkbox"/>	17
15. Open an estate account to deposit income and pay expenses, transferring any balances.	<input type="checkbox"/>	17
<b>VALUING THE ESTATE</b>		
16. Locate all original investment certificates, stocks, bonds, property deeds, etc. in the deceased's personal files and safe deposit box.	<input type="checkbox"/>	18
17. Identify, value and record estate assets as they stood at the date of death.	<input type="checkbox"/>	18
18. Investigate all debts owed by the deceased.	<input type="checkbox"/>	19
19. Apply for and collect Canada Pension Plan (CPP)/Quebec Pension Plan (QPP) death benefit.	<input type="checkbox"/>	19
20. Contact the deceased's employer or former employer regarding pension plans, retiree benefits and death benefits.	<input type="checkbox"/>	19
21. Apply for and collect life insurance and other insurance benefits.	<input type="checkbox"/>	19

\* Estate Trustee with a Will in Ontario; Liquidator in Quebec



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ADMINISTERING THE ESTATE		
22. Review the suitability of investments held in the estate and recommend which assets are to be sold to meet cash requirements.	<input type="checkbox"/>	20
23. Invest any surplus cash until the estate is finalized, selecting from allowable investments.	<input type="checkbox"/>	20
24. Assist in establishing any trusts stipulated in the Will.	<input type="checkbox"/>	20
25. Cancel CPP, QPP and/or Old Age Security (OAS) benefits.	<input type="checkbox"/>	20
26. Apply for CPP/QPP survivor's pension and/or children's benefits and Allowance for the Survivor.	<input type="checkbox"/>	21
27. Advise the CRA to discontinue or transfer GST/HST credits and child tax benefits.	<input type="checkbox"/>	21
28. Complete documentation and arrange to transfer employment, health, pension and retiree benefits.	<input type="checkbox"/>	21
29. Return social insurance card, passport, driver's licence and health card, obtaining any appropriate refunds.	<input type="checkbox"/>	21
30. Complete "housekeeping" tasks.	<input type="checkbox"/>	22
31. Pay all debts and settle all legitimate claims prior to final distribution of assets, obtaining receipts for any payments made.	<input type="checkbox"/>	22
TAXES		
32. Obtain a copy of the last tax return filed by the deceased.	<input type="checkbox"/>	22
33. Complete and file all outstanding tax returns and pay any required income taxes.	<input type="checkbox"/>	22
34. Obtain Tax Clearance Certificate(s) from the CRA (and Revenue Quebec, if applicable) once the Notice of Assessment(s) is received, confirming that all tax liabilities have been settled.	<input type="checkbox"/>	24
DISTRIBUTION		
35. Initiate sale of assets and transfer of titles.	<input type="checkbox"/>	25
36. Begin distributing assets to beneficiaries according to the terms of the Will.	<input type="checkbox"/>	26
37. Distribute specific bequests (personal and household belongings) obtaining receipts from respective beneficiaries.	<input type="checkbox"/>	26
38. Prepare a reckoning of your expenses (and any compensation) as executor.	<input type="checkbox"/>	26
39. Arrange for final distribution of remaining assets, obtaining receipts from each beneficiary.	<input type="checkbox"/>	26
40. Prepare a final accounting of all assets, liabilities, expenses and distribution of assets for beneficiaries.	<input type="checkbox"/>	26
41. Have each adult beneficiary approve the accounting and sign a release form.	<input type="checkbox"/>	26
42. Advise the bank in writing to close the estate account once the estate is settled.	<input type="checkbox"/>	26
43. Advise beneficiaries to consult with a financial advisor.	<input type="checkbox"/>	26

RBC Estate & Trust Services refers to Royal Trust Corporation of Canada and The Royal Trust Company. This document has been prepared for use by Royal Bank of Canada, Royal Mutual Funds Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC Global Asset Management Inc., RBC Dominion Securities Inc.\*, Royal Trust Corporation of Canada and The Royal Trust Company. Royal Mutual Funds Inc., RBC Phillips, Hager & North Investment Counsel Inc., RBC Global Asset Management Inc., RBC Dominion Securities Inc., Royal Trust Corporation of Canada, The Royal Trust Company and Royal Bank of Canada are separate corporate entities that are affiliated. RBC Phillips, Hager & North Investment Counsel Inc., RBC Global Asset Management Inc., RBC Dominion Securities Inc., Royal Trust Corporation of Canada and The Royal Trust Company are member companies of RBC Wealth Management, a business segment of Royal Bank of Canada. \*Member-Canadian Investor Protection Fund.

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# GLOSSARY

## **AGENT FOR EXECUTOR**

A private individual or institution that is appointed by a named executor to carry out all or selected parts of the estate's administrative tasks. Such appointment relieves the executor of the burden of administration while retaining the executor's decision-making authority.

## **ASSET**

Anything owned by an individual.

## **BENEFICIARY**

The person designated to receive something under a Will, registered plan or insurance policy.

## **BEQUEST**

A gift of personal or household belongings to a person named in a Will.

## **BOND OF INDEMNITY**

A bond to protect the party to whom the bond is issued against loss or damage.

## **CAPITAL GAIN**

The profit earned or realized on the sale or deemed disposition of certain assets or property.

## **CODICIL**

A legal document amending the Will.

## **ESTATE**

All the assets and liabilities of an individual at the time of death.

## **ESTATE DOCUMENTATION**

The legal documents required to settle the estate. (see chart on page 13).

## **ESTATE TRUSTEE WITH A WILL**

Executor in Ontario.

## **EXECUTOR**

Person(s) named in a Will to administer the estate of the deceased. In Ontario, the executor is known as the estate trustee with a Will. In Quebec, the executor has been known as the liquidator since January 1, 1994.

## **GRANT OF PROBATE**

An order of the court that confirms the executor has the authority to administer a deceased person's estate under a Will. In some provinces, this is called Letters Probate. In Ontario, it is called a Certificate of Appointment of Estate Trustee with a Will.

## **INTESTATE**

When a person dies without leaving a valid Will.

## **JOINT TENANCY WITH RIGHT OF SURVIVORSHIP**

A form of property ownership by two or more people with the right of ownership passing to the person or persons who survive. Normally, property owned in joint tenancy passes to survivors outside of a Will. This does not apply in Quebec.

## **LEGACY**

Gifts of cash to beneficiaries named in a Will. In Quebec, a legacy is a gift to a beneficiary or beneficiaries named in a Will.

## **LESSEE**

A person who pays for and receives the use of property or real estate for a period of time specified in a lease document.

## **LETTERS OF ADMINISTRATION**

A document issued by a court appointing the administrator(s) of an estate. It is issued when a person dies intestate (without a Will). In Ontario, this document is called a Certificate of Appointment of Estate Trustee without a Will. This is not applicable in Quebec.

## **LETTERS PROBATE**

A document issued by a court confirming the authority of the executor named in the Will. It also certifies the Will to be the Last Will and Testament of the deceased. Letters Probate are known as Grant of Probate in Alberta, Manitoba, Northwest Territories, Yukon and Nunavut and Certificate of Appointment of Estate Trustee with a Will in Ontario. This does not apply in Quebec.

## **LIABILITY**

Also known as debt, an amount owed to creditors of the deceased.

## **LIQUIDATOR**

Term used in Quebec for the executor of an estate.

**MINISTERIAL ORDER**

A document issued by the Ministry of Indian and Northern Affairs naming the executor(s) of the estate under the provisions of the Indian Act.

**NON-REGISTERED INVESTMENTS**

Non-tax-sheltered investments such as investments held outside an RRSP or RRIF. The earnings from these investments are generally recognized as income in the year they are earned and taxed accordingly.

**NOTICE OF ASSESSMENT**

A form sent to all taxpayers after their tax returns are processed, informing them of the status of the return including any corrections to their returns or rebate applications. It lets them know whether they owe more tax or what the amount of their refund will be.

**PROBATE**

The formal process of proving the Will and confirming the authority of the executor(s) named in the Will.

**PROBATED WILL**

Applicable in Quebec only, a document issued by the superior court that attests that the Will is the Will of the deceased and that the formalities required by law have been observed.

**PROOF OF DEATH**

An original, notarized or certified true copy of a death or burial certificate, Act of Death, Certificate of Death or other evidence of death. In Quebec, legal proof consists of the Act of Death issued by the Registrar of Civil Status.

**REGISTERED RETIREMENT INCOME FUND (RRIF)**

A plan registered with the CRA that permits accumulated registered retirement savings to be paid out over time to provide an individual with income during retirement. Principal and earnings generated within the plan remain tax-sheltered until they are withdrawn as income.

**REGISTERED RETIREMENT SAVINGS PLAN (RRSP)**

A plan registered with the CRA that allows an individual to accumulate savings for retirement on a tax-sheltered basis until withdrawn.

**RESIDUAL BENEFICIARY**

The beneficiary(ies) to whom the residue of the estate is left.

**RESIDUE**

The portion of an estate remaining after all debts, taxes and expenses have been paid and all specific gifts of cash and personal and real (realty) property have been made.

**RIGHT OF SURVIVORSHIP**

The right of the surviving joint tenant(s) or holder(s) of property to legal ownership of that property after one of them dies. This does not apply in Quebec.

**RIGHTS AND THINGS TAX RETURN**

A third tax return that an executor may file on behalf of the deceased. Rights and things are amounts that were earned and/or receivable at the time of death that had not been paid to the person at the time of death.

**TAX CLEARANCE CERTIFICATE**

A written confirmation issued by CRA (and Revenue Quebec, if applicable) that a person's tax affairs are in order at the date of issue of the certificate.

**TAX-FREE SAVINGS ACCOUNT (TFSA)**

A registered plan that allows Canadian residents to accumulate savings (subject to certain contribution limits) to meet their short-term and long-term goals. Investment income earned in the account (whether interest or dividends) and capital gains are not taxed even when withdrawn. Contributions to a TFSA and the interest on money borrowed to invest in a TFSA are not tax-deductible.

**TENANTS IN COMMON**

Joint ownership of property where the deceased joint owner's share is transferred to his/her estate instead of directly to the surviving joint owners.

**TERMINAL INCOME TAX RETURN**

The income tax return filed by an executor for the year of a decedent's death, including income from January 1 to the date of death plus any realized taxable capital gains and allowable capital losses at the time of death.

**TESTAMENTARY**

Of or pertaining to a Will document.

**WILL**

A written document conforming to provincial rules that states what the person wants to happen to his or her assets on his or her death.





## For more information:

- Speak with an RBC advisor
- Call **1-855-833-6511**
- Visit our website at **[www.rbc.com/estateandtrustservices](http://www.rbc.com/estateandtrustservices)**



## RBC Wealth Management

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# ESTATE INVENTORY WORKBOOK

There's Wealth in Our Approach.™



RBC Wealth Management

## RBC ESTATE & TRUST SERVICES

RBC Estate & Trust Services has been serving Canadians since 1899. We provide individuals, families and businesses with valuable estate, trust and incapacity services, tailored to their specific needs. Our clients are often dealing with unique and complex issues, and want a personal relationship with a skilled advisor who can deliver tailored, thoughtful solutions.

### WE OFFER OUR CLIENTS:

- Assistance in the preservation, management and transfer of wealth between generations by providing solutions to implement clients' estate and trust plans
- Financial security and peace of mind to elder Canadians who require assistance in the management of their affairs as they grow older
- Professional and impartial expertise in delivering estate and trust services
  - Strong history and legacy in managing fiduciary businesses
  - Professionals who have technical and practical experience
  - Compassion and understanding of the client's/family's experience

For more information, speak with an RBC advisor, call us at **1-855-833-6511** or visit our website at **[www.rbc.com/estateandtrustservices](http://www.rbc.com/estateandtrustservices)**.



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# INTRODUCTION

The estate inventory workbook is a tool that can be used by an executor\* when settling an estate. It has been developed to help the executor gather a comprehensive list of all information pertaining to the estate, such as:

- Personal information
- Beneficiary information
- Professional advisors
- Banking
- Investments
- Assets
- Pensions
- Insurance

\* In Ontario, an executor is called an estate trustee with a Will. In Quebec, an executor is called a liquidator.



**If you have questions about your executor duties, speak with an RBC advisor, call us at 1-855-833-6511 or visit our website at [www.rbc.com/estateandtrustservices](http://www.rbc.com/estateandtrustservices).**

# PERSONAL INFORMATION

Name of preparer:

Date prepared:

Name of deceased:

Address:

Phone:

Date of birth:

S.I.N.:

Date of death:

## Beneficiaries

1. Name:

Relationship:

Address:

Phone:

Date of birth:

Email:

2. Name:

Relationship:

Address:

Phone:

Date of birth:

Email:

3. Name:

Relationship:

Address:

Phone:

Date of birth:

Email:

4. Name:

Relationship:

Address:

Phone:

Date of birth:

Email:

5. Name:

Relationship:

Address:

Phone:

Date of birth:

Email:

# PERSONAL INFORMATION CONT.

## Will

Lawyer/notary:

Address:

Phone:

Date of Will/codicil:

Email:

Executor(s)/trustee(s):

Address:

Phone:

Type of Will:

Will instructions/special clauses:



# PROFESSIONAL ADVISORS

Accountant	
Name:	Firm:
Address:	
Phone:	Fax:
Email:	
Lawyer/notary	
1. Name:	Firm:
Address:	
Phone:	Fax:
Email:	
2. Name:	Firm:
Address:	
Phone:	Fax:
Email:	
Investment advisor	
Name:	Firm:
Address:	
Phone:	Fax:
Email:	
Banker	
Name:	Firm:
Address:	
Phone:	Fax:
Email:	
Trust company	
Name:	Firm:
Address:	
Phone:	Fax:
Email:	

# BANKING INFORMATION

Accounts	
<b>1. Name of financial institution:</b>	<b>Name of contact:</b>
Address:	
Phone:	Balance: \$
Account number:	Account type:
<b>2. Name of financial institution:</b>	<b>Name of contact:</b>
Address:	
Phone:	Balance: \$
Account number:	Account type:
<b>3. Name of financial institution:</b>	<b>Name of contact:</b>
Address:	
Phone:	Balance: \$
Account number:	Account type:
Bank machine cards	
<b>1. Issuer:</b>	Card number:
<b>2. Issuer:</b>	Card number:
<b>3. Issuer:</b>	Card number:
Credit cards	
<b>1. Issuer:</b>	Card number:
Expiry date:	Credit limit: \$
<b>2. Issuer:</b>	Card number:
Expiry date:	Credit limit: \$
<b>3. Issuer:</b>	Card number:
Expiry date:	Credit limit: \$

# INVESTMENT INFORMATION

<b>1. Firm:</b>	<b>Name of contact:</b>
Type*:	Account number:
Ownership type/beneficiary**:	Value: \$
Details/location:	

<b>2. Firm:</b>	<b>Name of contact:</b>
Type*:	Account number:
Ownership type/beneficiary**:	Value: \$
Details/location:	

<b>3. Firm:</b>	<b>Name of contact:</b>
Type*:	Account number:
Ownership type/beneficiary**:	Value: \$
Details/location:	

<b>4. Firm:</b>	<b>Name of contact:</b>
Type*:	Account number:
Ownership type/beneficiary**:	Value: \$
Details/location:	

<b>5. Firm:</b>	<b>Name of contact:</b>
Type*:	Account number:
Ownership type/beneficiary**:	Value: \$
Details/location:	

<b>6. Firm:</b>	<b>Name of contact:</b>
Type*:	Account number:
Ownership type/beneficiary**:	Value: \$
Details/location:	

\* Include cash accounts, margin accounts, Registered Savings Account, Retirement Income Fund, Locked-in Retirement Account, Locked-In RSPs, Life Income Fund, Locked-In Retirement Income Fund, Prescribed Retirement Income Fund, Registered Education Savings Plan, annuities, etc. \*\* If a registered account indicate beneficiary. If cash or margin account indicate whether held in single name, joint tenancy with right of survivorship or tenancy in common.

# PERSONAL ASSETS

Assets (e.g. cars, jewellery, art, etc.)			
Item description	Location	Beneficiary	Value
1.			\$
2.			\$
3.			\$
4.			\$
5.			\$
6.			\$
7.			\$
8.			\$
9.			\$
10.			\$
11.			\$
12.			\$
13.			\$
14.			\$
15.			\$
16.			\$
17.			\$
18.			\$
19.			\$
20.			\$
21.			\$
22.			\$

# REAL ESTATE

<b>Principal residence address:</b>	
Title held by:	Mortgage held by:
Date of purchase:	Deed location:
Purchase price: \$	Current market value: \$
Beneficiary:	
<b>1. Other property address:</b>	
Title held by:	Mortgage held by:
Date of purchase:	Deed location:
Purchase price: \$	Current market value: \$
Beneficiary:	
<b>2. Other property address:</b>	
Title held by:	Mortgage held by:
Date of purchase:	Deed location:
Purchase price: \$	Current market value: \$
Beneficiary:	

# PENSION PLANS

<b>1. Company name:</b>	<b>Company contact:</b>
Phone:	Plan type*:
Beneficiary:	
<b>2. Company name:</b>	<b>Company contact:</b>
Phone:	Plan type*:
Beneficiary:	

\* Defined benefit, money purchase or defined contribution; DPSP or group RRSP

# BUSINESS INVESTMENTS

Private corporations, partnerships and sole proprietorships	
<b>1. Company or business name:</b>	<b>Name of contact:</b>
Type*:	Percentage of interest held:
Location of documents:	
Legal counsel:	Beneficiary:
Phone:	Email address:
Partnership or Shareholder Agreement:	
<b>2. Company or business name:</b>	<b>Name of contact:</b>
Type*:	Percentage of interest held:
Location of documents:	
Legal counsel:	Beneficiary:
Phone:	Email address:
Partnership or Shareholder Agreement:	
<b>3. Company or business name:</b>	<b>Name of contact:</b>
Type*:	Percentage of interest held:
Location of documents:	
Legal counsel:	Beneficiary:
Phone:	Email address:
Partnership or Shareholder Agreement:	

\* Sole proprietorship, partnership, corporation, etc.



**If you have questions about your executor duties, speak with an RBC advisor, call us at 1-855-833-6511 or visit our website at [www.rbc.com/estateandtrustservices](http://www.rbc.com/estateandtrustservices).**

# LIFE INSURANCE

Individual coverage		
<b>1. Issuer:</b>		<b>Insured:</b>
Agent's name:		Phone:
Insurance type*:		Policy number:
Face value: \$	Cash surrender value: \$	Death benefit:
Contract location:		Beneficiary:
Email address:		
<b>2. Issuer:</b>		<b>Insured:</b>
Agent's name:		Phone:
Insurance type*:		Policy number:
Face value: \$	Cash surrender value: \$	Death benefit:
Contract location:		Beneficiary:
Email address:		
Group coverage		
<b>1. Issuer:</b>		<b>Insured:</b>
Agent's name:		Phone:
Insurance type*:		Policy number:
Face value: \$	Cash surrender value: \$	Death benefit:
Contract location:		Beneficiary:
<b>2. Issuer:</b>		<b>Insured:</b>
Agent's name:		Phone:
Insurance type*:		Policy number:
Face value: \$	Cash surrender value: \$	Death benefit:
Contract location:		Beneficiary:

\* Indicate if Term or Permanent coverage.

# OTHER INSURANCE

Health Card Number:

## Other life coverage (e.g. travel insurance, credit cards, etc.)

1. Issuer:

Insured:

Insurance type:

Policy number:

Death benefit:

Contract location:

Email address:

2. Issuer:

Insured:

Insurance type:

Policy number:

Death benefit:

Contract location:

Email address:

## Group health insurance

1. Insurance company:

Contact name:

Phone:

Group:

Coverage for:

Refunds of premiums:

Amounts owing to the estate:

2. Insurance company:

Contact name:

Phone:

Group:

Coverage for:

Refunds of premiums:

Amounts owing to the estate:

## Private disability insurance

1. Insurance company:

Contact name:

Phone:

Coverage type/person insured:

Policy number:

Coverage: \$

Annual premium: \$

Benefit period:

Refunds of premiums:

Amounts owing to the estate:

2. Insurance company:

Contact name:

Phone:

Coverage type/person insured:

Policy number:

Coverage: \$

Annual premium: \$

Benefit period:

Refunds of premiums:

Amounts owing to the estate:



**Critical illness/disability insurance****1. Insurance company:**

Contact name:

Phone:

Coverage type/person insured:

Certificate/policy number:

Coverage: \$

Annual premium: \$

Benefit period:

Refunds of premiums:

Amounts owing to the estate:

**Property insurance (home/auto/other)****1. Property description:**

Insurance company:

Contact name:

Phone:

Policy number:

Contract location:

**2. Property description:**

Insurance company:

Contact name:

Phone:

Policy number:

Contract location:

**3. Property description:**

Insurance company:

Contact name:

Phone:

Policy number:

Contract location:

**Other coverage (e.g. mortgage, credit cards, etc.)****1. Insurance company:**

Coverage for:

Policy number:

Coverage: \$

Contract location:

**2. Insurance company:**

Coverage for:

Policy number:

Coverage: \$

Contract location:

## For more information:

- Speak with an RBC advisor
- Call **1-855-833-6511**
- Visit our website at **[www.rbc.com/estateandtrustservices](http://www.rbc.com/estateandtrustservices)**



## RBC Wealth Management

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# WHAT TO EXPECT WHEN YOU'RE A BENEFICIARY

Receiving an inheritance can bring a range of responsibilities and emotions, often when grieving the loss of a loved one.

If you've been named as a beneficiary in a family member's or friend's Will, it's important to understand what to expect from the estate settlement process and to carefully consider your options.

## YOUR ROLE AS BENEFICIARY

An executor\* is the individual or institution named in a Will who is responsible for administering the estate. The executor may be someone you already know, perhaps a family member or friend.

As sole beneficiary or a beneficiary of some or all of the residue of the estate (the remaining portion after specific gifts have been removed), you are entitled to:

- See full and accurate estate accounts on a regular basis
- Approve the estate accounts
- Request an explanation if you are not satisfied with the accounts
- Be notified when the executor applies to court for probate (a Certificate of Appointment of Estate Trustee with a Will in Ontario, not applicable in Quebec)
- Receive your inheritance in a timely way, while understanding it's not uncommon for even the most straightforward estate settlements to take a year or more to complete
- Review and approve the executor's level of compensation, which can be set by a court if necessary to resolve any dispute, unless it was set by the Will

- Apply to the court to remove the executor if you feel the estate settlement is not being carried out in a responsible manner

## WORKING WITH THE EXECUTOR

The overall responsibility of the executor is to administer the estate according to the deceased's final wishes expressed in the Will, and according to provincial law.

Ideally, communication between an executor and the estate's beneficiaries is open and smooth throughout the estate settlement process. In some cases, however, there may be tension between beneficiaries and the executor or disagreements about the Will itself.

Those challenges can sometimes lead to delays in settling the estate, and this can mean that some of the estate's value may be lost to legal fees. It's therefore in your best interest as a beneficiary to make every effort to work as co-operatively and efficiently as possible with the executor.

## EXECUTOR RESPONSIBILITIES

It's important to understand the potentially overwhelming nature of the executor's duties. Executors can be required to undertake dozens of individual tasks and deal with numerous government agencies and professionals to carry out the estate settlement.

Here are some facts to think about:

- Executor duties can take months or even years of work. Executors may struggle with family tensions, time constraints and personal liability when they may also be grieving a personal loss.

\* In Ontario, an executor is called an estate trustee with a Will.  
In Quebec, an executor is called a liquidator.



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- Executors may have been chosen because of their role in the deceased's life or because of their profession, but if they have no prior experience settling an estate, it may be a daunting prospect.
- In cases where an executor has questions or concerns about an estate's administration or requires assistance, professional help is available. There are three main sources of help within the executor assistance industry: trust companies (such as RBC Estate & Trust Services), lawyers and accountants.
- In many cases, working with a professional can expedite the settlement process and provide expert assistance with tax issues, thereby helping to maximize the estate's value.

Like many professionals, executors are entitled to charge the estate for carrying out the estate settlement duties. Executors' fees generally range from 3% to 5% of the value of the estate assets and are set by each province and territory, the provincial court practice or the Will itself.

## WHAT IF YOU HAVE CONCERNS?

If you have concerns about the estate settlement process, it's important to discuss these concerns with the executor as they arise. By addressing issues early, you can help ensure that concerns don't multiply and undermine your relationship with the executor. It's in everyone's best interest to resolve issues that relate to the estate as simply and as quickly as possible.

## IMPORTANT CONSIDERATIONS ABOUT YOUR INHERITANCE

When you are informed that you will be receiving money from an estate, especially if it's a significant amount, it's a good idea to take some time before making any decisions. An inheritance can have a significant impact on your life, so you may wish to consider your options carefully before deciding what to do with it.

When you feel ready, you might want to:

- Create a "wish list" of what you'd like to do with your inheritance, and prioritize the list
- Review your overall financial situation by listing your current assets and liabilities, as well as your short- and long-term financial objectives
- Meet with a professional advisor to develop a personalized, long-term financial plan or adjust an existing plan based on your wish list

- Discuss the tax and legal (for example, marital property or family law) implications of your inheritance with a professional advisor
- Consider the various investment choices that can help determine the after-tax amount that will be available to you

## MANAGING YOUR INHERITANCE

How you use your inheritance is up to you.

Your options could include:

- Contributing to a Registered Retirement Savings Plan (RRSP) or a Tax-Free Savings Account (TFSA) to build your retirement savings
- Paying down existing debt, such as credit card balances or home mortgages
- Setting aside some "mad money" to fulfill a dream, take a trip or buy something special that the deceased might have wanted you to have
- Purchasing a new home or investment property
- Paying for renovations to an existing home
- Putting money aside for a child or grandchild for post-secondary education
- Gifting amounts to family members who need financial assistance
- Taking your family on a memorable vacation
- Helping a child purchase a home or start a business
- Donating to charity

## HOW RBC CAN HELP

RBC advisors and our RBC Estate & Trust Services team can provide professional advice to help you clarify your present situation so you can determine your personal and financial goals. We're here to help you set priorities for your inheritance while minimizing taxes. You can look to us to develop the best strategies for your situation, ensuring that the legacy you receive provides the maximum benefit for you and your family.

For more information, speak with an RBC advisor, call us at **1-855-833-6511** or visit our website at [www.rbc.com/estateandtrustservices](http://www.rbc.com/estateandtrustservices).



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