



For your **executor**



ESTATE PLANNING SOLUTIONS

This brochure is for you and your executor. It will give you a better understanding of the many responsibilities your executor will have to carry out on your behalf. It's also for your executor to use for reference after you die. For this reason, we refer to "the deceased" throughout.

You and your executor should review it together, then discuss and clarify your expectations. Taking time to do this now will help to ensure your final wishes are carried out in the way you intend.

Please note: In Quebec, executors are known as liquidators. Therefore references to executors in this brochure include liquidators in Quebec. Also in Quebec, some estate planning duties may be performed by either lawyers or notaries, more being typically performed by notaries.

Making arrangements

This guide explains what you need to do as an executor (liquidator in Quebec). Not all points apply in every situation, especially if you are administering your spouse's estate.

Arrange the funeral

- Make a list of all names, addresses and birth dates (or approximate ages) of immediate family members, including spouse, children, grandchildren, brothers, sisters and parents.
- Notify family, friends, heirs and employer about the death.
- Arrange for burial or cremation and funeral services, according to the deceased's wishes which may be set out in their will. The deceased may have already made funeral arrangements.

Attend to personal matters

- Locate the will and all documents relating to the estate.
- Consider consulting or hiring a lawyer (or a notary in Quebec).
- Locate all bank accounts and determine whose name the accounts are in and the balance in each. Unless you had a joint bank account with the deceased, you probably need to open a bank account in the estate's name to pay the estate's debts. The financial institution will close the deceased's personal accounts once the estate account is opened. Note that banks and other financial institutions may refuse to honour cheques written by the deceased that haven't cleared prior to his or her death.
- List names, addresses and birth dates of all beneficiaries named in the will or other documents relating to the estate.
- Notify the beneficiaries, including charities, of their interests.

In Quebec:

- Obtain the official proof of death from the *Registrar of Civil Status*.
- Locate the last will and testament by contacting the *Chambre des notaires du Québec* and the *Barreau du Québec*.
- Verification by the Court or a by a notary is needed if the last will was not notarized (before witnesses or holograph).
- In absence of a will, a *Declaration of heirs* is needed and a liquidator should be named.
- Publish the designation of liquidator in the *Register of personal and movable real rights* and in the *Land Register*, where applicable.

Arrange for living and other expenses

- Contact the deceased's bank or credit union to determine if money may be available for the family's immediate living expenses.
- Determine whether any immediate family members have urgent financial needs. If so, and they can't wait for the estate to distribute assets, look to the following sources of funds:
 - Life insurance benefits payable to a beneficiary who is a family member;
 - Pension plans, LIF, LIRA where the death benefit or annuity payment can be paid immediately to the spouse or a named beneficiary who is also a family member
 - TFSA, RRSP or RRIF where a family member has a right to a death benefit or an annuity payment.
 - Gather the information you'll need to claim life insurance benefits, such as life insurance policy numbers, the deceased's full name and any nicknames or additional names he or she may have used, home address, social insurance number, and
 - If applicable, veteran's file and service number. You'll also need to provide names, addresses and birth dates of all beneficiaries named in the life insurance policy(ies), a death certificate including the date and place of death from the attending physician or a statement of death from the funeral director, and birth certificate, including place of birth.
- Company benefits:

Contact the employer to have unpaid salary, pension, group insurance or union benefits made payable to the estate or the designated beneficiaries.
- Canada/Quebec (CPP/QPP) death, pension or survivor benefits:

Contact the Canada or Quebec Pension Plan office nearest you to determine if any death, pension or survivor benefits are payable.

Look after assets and debts

- Protect the assets before probate or estate administration process. Take cash, jewellery and other valuables into your possession. This is to ensure there is sufficient money to settle all debts and pay all taxes before you distribute the assets to the heirs.
- Re-register assets in the estate's name, if applicable. In Quebec, investments made during the liquidation shall be made in the name of the liquidator acting in that capacity as follows: (name of liquidator), acting in capacity of the estate (name of deceased).
- Where appropriate, lock up the residence and notify the police the home is vacant. In winter, ensure the house remains heated or pipes are drained to prevent freezing.
- Examine insurance coverage and insure the estate assets (motor vehicles, house, furniture, jewellery, art, etc.) against fire or other perils.
- For motor vehicles, check the insurance policy for adequate coverage and permitted uses. If someone uses a vehicle and there is inadequate coverage, the estate may be liable, or as the executor, you may be personally liable.
- Organize interim management for the deceased's business or farm, where applicable. If you, as the executor, decide to run the business, you must consider matters of personal liability.
- Collect income generated by the estate assets or payable to the deceased. Arrange to have any un-cashed cheques made payable to the estate.
- Check for accuracy of all debts and pay them, including credit card bills, medical and dental bills, personal loans, guarantees, utility charges, property taxes, repair bills, etc.
- Search titles of any residential property, rental housing, vacation homes, agricultural or commercial lands owned by the deceased to determine the details of the ownership and obtain legal descriptions.
- Determine if any money is owing on mortgages or other encumbrances.
- Check for outstanding taxes and utility charges.
- Check on property insurance and arrange for transfer, if necessary. Ensure premium payments continue until property is sold or transferred to heirs.
- Check leases and tenancy agreements, arrange for payment or collection of rent, and give notice, if appropriate.
- Cancel charge accounts and destroy credit cards.

Make household arrangements

- Arrange with the local post office to re-address mail.
- Cancel driver's licence, magazine subscriptions and club memberships.
- Arrange for care of pets.

Prepare an inventory of all assets and debts

- Review the deceased's personal papers for all assets and debts.
- Locate the safe deposit box, obtain keys and make a list of the contents.
- In Quebec, run a free search with the *Register of unclaimed property* http://www.revenu.gouv.qc.ca/en/sepf/services/sgp_bnr/default.aspx
- Take an inventory of assets and debts and, if necessary, have them valued. You'll need to include the following information:

Bonds: kind of bond, serial numbers, adjusted cost base, face value, interest rate, maturity date, market value at death and currently, total value, any coupons that have been clipped and the name and location of registration for any corporate bonds

Stocks: company name, type of shares, whether they are transferable or non-transferable, adjusted cost base, market value at death and current for all shares

Non-registered mutual funds and segregated fund annuities: Fund name or contract number, market value at death and current as well as adjusted cost base for each fund

Tax-free savings account (TFSA): Determine the type of TFSA, beneficiary and whether the beneficiary can transfer amounts received to their own TFSA and whether any income was earned after the date of death

Pension plans and/or locked-in annuity contracts: determine if a death of an annuity is payable to the spouse, a designated beneficiary of the estate.

Business or farm assets: equipment, machinery, accounts receivable, inventory, etc.

Personal belongings: household furniture and goods, clothing and jewellery, artwork, stamp and coin collections, electronic and sports equipment, motor vehicles (include details on registration and insurance) and recreational vehicles

- If you are concerned about debts coming to light after you've settled the estate, or if the estate is large or unfamiliar to you, arrange for newspaper advertisements to try to locate creditors.
- Identify any debts to family members and find evidence of the loan balances.
- Consider any claims or potential claims against the estate and obtain legal advice if necessary.

- Assess the rights of the surviving spouse under provincial family law. Depending on the province, the executor may be required to advise the surviving spouse that he or she might have a claim and should seek independent legal advice.
- Assess the rights of any dependants who were financially dependent on the deceased.
- Set aside reserve funds for estimated debts, taxes (including potential taxable capital gains from deemed disposition of all property on death, such as a cottage, bonds, shares, mutual funds, segregated fund annuity, etc.) and your compensation as executor.
- File the deceased's final income tax return. A T3/Relevé 16 return may also have to be filed for the estate as a trust. In addition, Quebec resident trusts may also have to file a TP-646-V (Trust Income Tax Return).
Consult an accountant or other tax professional to help you file the appropriate return(s) for the deceased and for the estate and pay any taxes due. A tax professional can also help you determine if previous years' returns need to be re-filed.
Obtain tax clearance and authorization from the Canada Revenue Agency (Clearance certificate), and in Quebec, from the Quebec Minister of Revenue (*Notice Before Distribution of the Property of an Estate*), before paying any claim of the estate to ensure all outstanding taxes have been paid before you distribute the assets to heirs.

In Quebec:

- Before paying any claim of the estate, establish through the prepared statement of assets and liabilities that the estate is solvent. If the estate is not solvent, seek further legal advice before carrying out actions to settle the estate.
- Arrange for a notice of closure of the inventory of property to be published in a newspaper in the locality of the deceased's last known address and in the *Register of personal and moveable real rights*.
- Declare to the Public Curator any property of the estate paid to a minor which worth more than \$25,000.00.

Settle the estate

- Supply the lawyer or notary in Quebec with a detailed statement of assets and liabilities. Have the lawyer or notary apply to the court for Letters of Probate or letters of administration. Not all wills need to go through probate proceedings in Quebec.
- If there is no properly drawn will, apply to the court for authority to settle the deceased's estate and distribute assets according to the rules for intestate succession, i.e., the provincial laws that govern distribution of estate property where there's no valid will.
- Identify trust agreements or outside estate interests to determine if there are any assets held in trust separately from the estate.

- Depending on the circumstances, you may have to sell investments and other assets to raise cash and deposit the funds into the estate account, or invest the estate balance in interest-earning investments, pending final distribution to beneficiaries. The sale of the investments may create taxable gains or losses for the estate and interest earned will be taxable to the estate.
- Ensure all legitimate claims against estate are settled and paid.
- Prepare transfer or deed for conveyance of real property, if required by the will. Real estate transactions can be quite complex - your lawyer (your notary in Quebec) will most likely prepare the legal documents.
- Arrange the rollover of registered retirement savings plans (RRSP) or registered retirement income funds (RRIF) to spouse, common-law partner or dependent child, if required.
- If the surviving spouse or common-law partner (as defined in the income Tax Act) was named the successor holder of tax-free savings account (TFSA) inform the TFSA issuer.
- Apply for any benefits payable on death, including CPP/QPP death benefit, life insurance proceeds, death benefits from pension plans or annuities. Distribute proceeds to beneficiary. Deposit benefits received into the estate account if no beneficiary was named or estate is named beneficiary.
- Prepare and maintain estate accounts for approval by beneficiaries or examination by the court, where appropriate.
- Have your lawyer or notary prepare and send the final releases for beneficiaries to sign, stating that they will make no further claims on the estate.
- If there's no will, distribute assets according to rules for intestate succession.
- Dispose of or distribute personal property according to instruction in the will.
- Prepare cheques, pay legacies and transfer bequests as provided in the will.
- Invest assets for establishment of trusts, if the will so directs.
- Prepare cheques and pay balances to residuary beneficiaries.
- Advise beneficiaries regarding inclusion of income from the estate in their income tax, if appropriate.
- Pay funeral expenses.
- Close the estate bank account. In Quebec, arrange for a notice of closure of the liquidator's account to be published in the *Register of personal and moveable real rights*.



The Canada Life Assurance Company, a subsidiary of The Great-West Life Assurance Company and a member of the Power Financial Corporation group of companies, provides insurance and wealth management products and services. Founded in 1847, Canada Life is the country's first domestic life insurance company.

Canada Life has received strong ratings on its claims-paying and financial strength from the major rating agencies.*

For more information on Canada Life and its products visit www.canadalife.com or talk to your advisor.

*As last rated by A.M. Best Company, Dominion Bond Rating Service, Fitch Ratings, Moody's Investor Service and Standard & Poor's Corporation at time of publication. For current information on Canada Life's ratings and financial strength see the corporate information section at www.canadalife.com.

The information provided is based on current estate and tax legislation and interpretations for Canadian residents and is accurate to the best of our knowledge as of the date of publication. Future changes to estate or tax legislation and interpretations may affect this information. This information is general in nature, and is not intended to be legal or tax advice. For specific situations, you should consult the appropriate legal, accounting or tax advisor.

This brochure is intended to give you a better understanding of the many responsibilities your executor will have to carry out on your behalf. It is not to be construed as an exhaustive list of an executor's obligations.

Helping people achieve more™