

# When you are named executor<sup>1</sup>.

## A guide to help you understand your responsibilities.

An estate account enables you to deposit income and pay any necessary expenses that may be incurred during the administration of the estate. Use this account to deposit proceeds from the sale of the deceased person's property, pay taxes, and pay any outstanding balances.

*This guide is designed to assist you in understanding what duties you may have as an executor<sup>1</sup>, while ensuring you're aware of the option to enlist professional help with any or all of your tasks throughout this process.*

If you've been named executor<sup>1</sup> of a friend or loved one's estate, you may feel honoured to be entrusted with carrying out their last wishes. You may also feel overwhelmed and unsure of where to begin, or how to carry out your duties. Fortunately, help is available — and the first step is educating yourself about your role as executor<sup>1</sup>.

Performing the role of executor<sup>1</sup> requires more than just trustworthiness and good intentions. An executor<sup>1</sup>'s duties and responsibilities can require a great deal of time, effort and expertise.

### Typical duties that may fall to an executor<sup>1</sup>

As an executor<sup>1</sup>, you are responsible for carrying out the deceased's wishes as stated in the Will. This often begins with assisting with funeral arrangements and meeting the immediate financial needs of the beneficiaries. It also involves identifying, protecting and valuing the assets the estate, paying the expenses and liabilities of the estate, filing tax returns and, finally, distributing the remainder of the estate to the beneficiaries.

It can take 12 to 18 months to complete an average estate settlement. In cases involving more complex estates, settlement can sometimes take years — all while requiring you to keep the beneficiaries informed and ensure proper documentation is completed for each step of the process.

## Careful considerations

### When you need a helping hand...

There are many circumstances where an estate professional can provide valuable support:

**Time** – Many executors<sup>1</sup> are unaware of the time it can take to settle an estate. People with busy lives can find it challenging to fulfill their executor<sup>1</sup> duties while still running their regular lives.

**Location** – It can prove challenging to act as an executor<sup>1</sup> when you live in another city, province or country. You may need to be physically present to fulfill some tasks, such as valuing estate assets or distributing them to the beneficiaries.

**Grief and family dynamics** – Many people feel overwhelmed by the thought of being responsible for estate settlement at a time of grief. Also, as executor<sup>1</sup> you need to communicate with beneficiaries with potentially conflicting interests. An unbiased third party can often be an invaluable resource in managing these issues.

When you engage an estate professional, you will continue to make all key decisions as they relate to the estate, while the estate professional ensures that your duties are carried out in a thorough, timely manner. For more information on how we can support you, please contact a TD representative.



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for you



## Where to begin

1. Locate the original last Will and review to determine whether there are any special funeral directions and to understand the other terms of the Will. If there is no Will (legally known as dying "intestate"), a court may have to appoint someone to administer the estate. TD Wealth Private Trust may also be able to assist you in that situation.
2. Assist in making funeral arrangements, if necessary.
3. Determine the immediate financial needs of the beneficiaries and make arrangements to meet them, if possible.
4. Obtain a funeral director's statement of death or apply for a provincial death certificate. Begin gathering other key documents related to the estate (see Appendix 1 for a list of documents to obtain).
5. Open an estate's bank account to deposit income and pay expenses, to transfer balances.
6. Arrange for Canada Post to redirect the deceased's mail to your mailing address.

## Identifying, valuing and protecting estate assets

7. Secure residence and contents (home, car, other property).
8. Continue or arrange for gardening and/or snow removal contracts.
9. Review and verify the adequacy of insurance coverage.
10. Notify financial institutions, insurance companies, brokers and employers of the deceased's passing.
11. Confirm outstanding balances and cancel any credit cards.
12. Arrange for safe custody of any valuables.
13. Identify and list contents of safety deposit box(es).
14. Locate and obtain title documents for real property, mortgages, and any other physical or investment assets.
15. Investigate any jointly held accounts to determine if the deceased retained beneficial ownership and if the account forms part of the estate.
16. Arrange valuations of real estate, personal property, and any vehicles.
17. Coordinate a review and valuation of the investment portfolio. A TD Canada Trust representative can help refer you to an advisor who can complete the review for you.
18. Determine entitlement and apply for Canada Pension Plan Death Benefits, Survivor's Benefits and Child(ren)'s Benefits.
19. Notify the deceased's previous employer and determine whether there are any survivor pension benefits, insurance proceeds or other income owing.
20. Review and identify any digital assets (e.g. PayPal, online game currency) held by the deceased.
21. Locate any personal property held outside the home in storage or repair.
22. Identify any foreign assets and determine whether a foreign Will exists to administer them.
23. Cancel passport, driver's license, any utilities, social media accounts, loyalty/points cards, subscriptions, such as magazines, and request refunds, if applicable. (See Appendix 2 for a sample cancellation letter.)

## Administration of the Estate

24. Prepare a complete summary of estate assets and liabilities. (See Appendix 3 for a template you can use to complete this.)
25. Arrange with a lawyer for probate of the Will, if necessary. A probated Will is acknowledged by the courts to be the deceased's Last Will and Testament. It confirms the executor<sup>1</sup> 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 transferring the assets to the person lawfully entitled to receive them.
26. Prepare and file an Estate Information Return (required in Ontario) with the Ministry of Finance within 90 days of probate.
27. Apply for and collect any life insurance and other insurance benefits. (See Appendix 2 for a sample letter to the insurance company.)
28. If the deceased was receiving a foreign pension, notify the foreign jurisdiction to cancel the entitlement and make a claim for any death benefit, if applicable.
29. Cancel any automatic bank account deposits/withdrawals.
30. Close any bank accounts and transfer any balances to the estate bank account.
31. Remove contents of any safety deposit box after providing required estate documentation; return keys and close safety deposit box.
32. Notify the federal government to cancel Old Age Security and Canada Pension Plan (CPP) payments, GST/HST credits and child tax benefits. Note: CPP, Quebec Pension Plan (QPP) and Old Age Security benefits will still be paid to the deceased for the month of death. 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 after the date of death, the payment must be returned with notification of the date of death.
33. Cancel health insurance coverage, if necessary.
34. Terminate any lease, rental, or sublet arrangement.
35. Settle all claims and debts and arrange for publication of a Notice to Creditors prior to distribution of estate assets, if necessary. (See Appendix 2 for a sample creditors' notification.)
36. Review Will and determine the division of estate assets. Consult with beneficiaries regarding distribution (e.g. in cash or in-kind), where appropriate.
37. Identify any time periods or restrictions imposed on the distribution of the estate (for example, family law considerations or claims/litigations).
38. Pay all debts and settle any legitimate claims prior to final distribution of assets. Deliver personal effects, securities and legacies to beneficiaries, obtaining receipts for each distribution.
39. Assist in establishing any trusts stipulated in the Will.

## Communication with beneficiaries

40. Communicate directly with beneficiaries, gather information, and set expectations (this should happen early in the process).
41. Send a copy of the Will to each beneficiary entitled to receive a copy.
42. Provide regular updates to beneficiaries regarding the status of administration to avoid any misunderstandings and potential legal action on their part.
43. Provide each residual beneficiary with a copy of the estate summary document (see appendix 3).

## Taxes

44. Obtain prior year(s) tax returns and determine whether any years are outstanding.
45. Forward a copy of the will and death certificate to Canada Revenue Agency (CRA) for their records and update the mailing address on file.
46. Contact CRA to cancel any future tax instalment payments, and determine if any tax instalments have been paid.
47. Obtain a disability tax certificate form for the deceased (if applicable), complete and file with CRA.
48. Locate medical expenses, charitable donations, income receipts, deductible expenses and/or investment statements.
49. Prepare and file any outstanding prior year(s) tax returns and the final or terminal return(s) for the year of death. Note: The final or terminal return for the deceased covers 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.
50. In addition, once the terminal returns are filed, it may be advantageous to file an Estate T3 Trust Income Tax and Information Return depending on the amount of income that has accumulated in the Estate after the date of death. This T3 Trust Income Tax Return is due 90 days from the first anniversary of the date of death, although an earlier year-end may be selected.
51. Obtain Tax Clearance Certificate(s) from the CRA (Revenue Quebec, if applicable) once all the Notice of Assessment(s) are received, confirming that all tax liabilities have been settled.

## Distribution

52. Arrange for a rollover or transfer of registered accounts (RRSP, TFSA), if necessary.
53. Initiate sale of assets to prepare for the estate's distribution.
54. Begin distributing residual assets/cash to beneficiaries according to the terms of the will, obtaining receipts from each beneficiary; ensure sufficient funds are retained to pay outstanding debts and taxes.
55. Prepare accounts for passing or approval by beneficiaries. Prepare releases and obtain signed approval from each beneficiary.
56. If beneficiaries approve accounts, confirm that all releases have been received.
57. If accounts are to be audited by the Court, contact a lawyer to prepare the application and all necessary notices.
58. Calculate and pay any executor<sup>1</sup>'s compensation once approval is received from the beneficiaries or the Court. As executor<sup>1</sup>, you may be entitled to receive financial compensation. The fee may be stipulated in the Will or agreed upon by the beneficiaries or approved by the court. At a minimum, you are entitled to reimbursement of any expenses incurred while carrying out your duties.
59. Upon receipt of final clearance from CRA, make final distribution to beneficiaries.
60. Arrange for closing of the estate bank account after confirming all payments and cheques have cleared.
61. Prepare a final report to the beneficiaries in writing on all aspects of the administration.

Estate settlement practices and requirements may vary by province or territory. The information in this overview is for informational purposes and intended only as a guide to assist you in better understanding what may need to be considered when administering an estate. It should not be considered a complete list nor be considered as income, tax, investment or legal advice.

If you have any questions about settling an estate, or any other aspect of estate planning, please speak to a TD representative or call our One TD Estates Centre at 1-866-235-1974.

## Appendix 1: List of documents to obtain

- Obtain a copy of the death certificate
- Will, Codicil, Memorandum (if any) and Affidavit of Execution
- Life insurance policies, annuity contracts
- Birth certificates of the deceased and the spouse
- Bank passbooks or statements for the current year
- Safety deposit box keys
- Automobile registration and insurance policy
- Property deeds, tax receipts, lease, etc.
- Homeowner insurance policy
- Income tax (last three years' returns) and if possible 1994 income tax returns
- Medical and charitable receipts
- Outstanding bills
- Credit and ATM cards
- Social insurance and membership cards
- Traveller's cheques
- Investment statements for the current year (including RRIF & RRSP)
- Canada Savings Bonds/Quebec Savings Bonds
- Stock certificates
- Valid passport
- Addresses for all beneficiaries
- Address book
- Mortgage statement
- Domestic contracts, separation agreement/divorce decree
- Citizenship documents
- Foreign will and statements for foreign assets
- Shareholders' agreement
- Business cards
- Funeral director's proof of death certificates for any beneficiaries who are deceased

## Appendix 2: Sample letters

### Letter to cancel passport:

**REGISTERED**

Date

Passport Program  
Gatineau QC K1A 0G3  
Canada

**RE: ESTATE OF (Name)  
FORMERLY OF (Address)  
DATE OF DEAT - )**

To whom it may concern,

I am attending to the administration of the above Estate. A copy of the death certificate and the deceased's passport is enclosed. The passport should be cancelled and {destroyed} {returned to me}. Thank you for your assistance.

Yours very truly,

(Name)  
(Title)  
(Phone number)

Encl.

## Letter to request insurance proceeds:

Date  
Name  
Address

Dear Sir/Madam:

**RE: ESTATE OF (Name)**

Further to our recent correspondence, we enclose the following:

- (1) Original insurance contract
- (2) Notarial copy of Certificate of Appointment of Estate Trustee
- (3) Proof of Death
- (4) Completed Claimant's Statement
- (5) Completed Physician's Statement

Please send a cheque payable to the Estate for the policy proceeds. Thank you for your assistance.

Yours very truly,

(Name)  
(Phone number)

Encl.

## Sample notice to creditors:

In the matter of the **Estate of John Smith**, late of Windsor, Ontario, Deceased.

All claims against the above estate, supported by Statutory Declaration must be sent to the attention of:

Bill Jones, 123 Any Street, Windsor, Ontario, on or before the 10th day of May, 2015

\*(Note: This date should be six weeks from the date below, to give creditors time to send in their claims. Another best practice is to publish the notice for three consecutive weeks in the local newspaper in the city where the deceased resided prior to his or her death)

Dated at Windsor, Ontario, this 25th day of March, 2015.

Bill Jones  
123 Any Street, Windsor, Ontario, N9E 4V0

Executor

## Appendix 3: Assets and liabilities worksheet

**Estate of the Late:** (Deceased First name, Last name) \_\_\_\_\_

Assets	Ownership		Beneficiary	
	Sole/Tenants in Common	Joint Tenancy*	Named	In Will
Bank accounts				
Investment accounts	\$	\$		
GICs/Term deposits	\$	\$	n/a	
Stocks, bonds, mutual funds	\$	\$	n/a	
RSPs	\$	n/a		
RIFs	\$	n/a		
RESPs	\$	n/a		
TFSAs	\$	n/a		
Annuities	\$	\$		
Other investments	\$	\$	n/a	
Life insurance	\$	\$		
Group life insurance	\$	\$		
Company pension plan	\$	\$		
Principal residence	\$	\$	n/a	
Other real estate	\$	\$	n/a	
Private business shares	\$	\$	n/a	
Other:	\$	\$		
Other:	\$	\$		
Other:	\$	\$		
Other:	\$	\$		
<b>Total assets</b>	<b>\$</b>			

Liabilities	Ownership		
	Sole/Tenants in Common	Joint Tenancy*	Insurance
Mortgages	\$	\$	\$
Loans/Lines of credit	\$	\$	\$
Credit cards	\$	\$	\$
Other loans or debts	\$	\$	\$
Income tax	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
<b>Total liabilities:</b>	<b>\$</b>		
<b>NET ESTATE</b>	<b>\$</b>		



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\*Not applicable in Quebec.

1 Liquidator in Quebec.

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