

For your executor



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 should review it together, then discuss and clarify your expectations. Taking time to do this now will 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, with some being more typically performed by notaries.

Making arrangements

This guide explains what you will need to do as an executor (liquidator in Quebec). Not all points will 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. 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 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*.
 - 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 provide money 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 the immediate family:**

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 pension or survivor benefits:**

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

Look after assets and debts

- Protect the assets before probate. 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. In Quebec, 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 movable real rights*.
- Re-register assets in the estate's name, if applicable.
- 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.

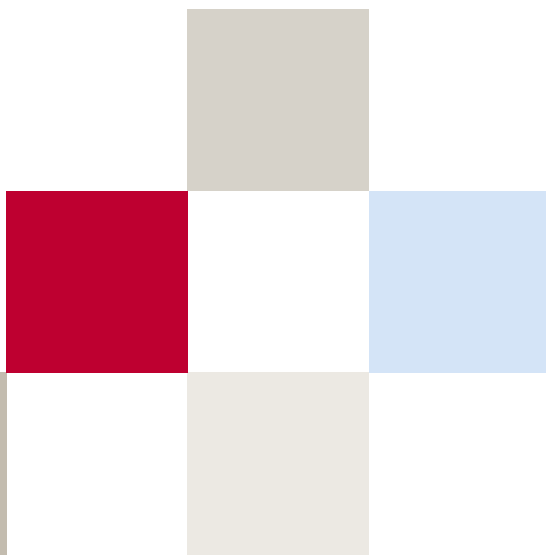
- Examine insurance coverage and insure the estate assets (motor vehicles, house, furniture, jewellery, art, etc.) against fire or other perils.
- For motor vehicles, check the insurance policy for adequate coverage and permitted uses. If someone uses a vehicle and there is inadequate coverage, the estate 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 uncashed 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, land 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 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.
- 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, face value, interest rate, maturity date, market value, 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, current market value per unit and total value of all shares
 - **Business or farm assets:** equipment, machinery, accounts receivable, goodwill, 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 on property, such as a cottage) and your compensation as executor.
- File a final T-3 income tax return. Quebec residents must also file a TP-646-V (Trust Income Tax Return).
 - Consult an accountant to help you file the appropriate return(s) and pay any taxes due. An accountant can also help you determine if previous years' returns need to be re-filed.
 - Obtain tax clearance from Canada Revenue Agency (formerly Canada Customs and Revenue Agency), and in Quebec, from the Quebec Minister of Revenue, 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.

Settle the estate

- Supply the lawyer with a detailed statement of assets and liabilities. Have the lawyer or notary apply to the court for Letters of Probate. Not all wills need to go through probate 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 convert investments and other assets to cash and deposit the funds into the estate account, or invest the estate balance in interest-earning investments, pending final distribution to beneficiaries.

- 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 or dependent child, if required.
- Apply for any benefits payable on death, including CPP/QPP death benefit, life insurance proceeds, death benefits from pension plans or annuities. Deposit benefits received into estate account.
- 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 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 movable real rights*.



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