Settling an Estate – How We Can Help

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**.

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. The first step is informing yourself about your new role.

* 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.

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.

RBC Estate & Trust Services Can Help

Dealing with the loss of a loved one is difficult enough without the added demands of being 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.

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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.

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

* 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.	☐
23. Invest any surplus cash until the estate is finalized, selecting from allowable investments.	☐
24. Assist in establishing any trusts stipulated in the Will.	☐
25. Cancel CPP, QPP and/or Old Age Security (OAS) benefits.	☐
26. Apply for CPP/QPP survivor's pension and/or children's benefits and Allowance for the Survivor.	☐
27. Advise the CRA to discontinue or transfer GST/HST credits and child tax benefits.	☐
28. Complete documentation and arrange to transfer employment, health, pension and retiree benefits.	☐
29. Return social insurance card, passport, driver's licence and health card, obtaining any appropriate refunds.	☐
30. Complete "housekeeping" tasks.	☐
31. Pay all debts and settle all legitimate claims prior to final distribution of assets, obtaining receipts for any payments made.	☐
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.	☐
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.	☐
DISTRIBUTION	
35. Initiate sale of assets and transfer of titles.	☐
36. Begin distributing assets to beneficiaries according to the terms of the Will.	☐
37. Distribute specific bequests (personal and household belongings) obtaining receipts from respective beneficiaries.	☐
38. Prepare a reckoning of your expenses (and any compensation) as executor.	☐
39. Arrange for final distribution of remaining assets, obtaining receipts from each beneficiary.	☐
40. Prepare a final accounting of all assets, liabilities, expenses and distribution of assets for beneficiaries.	☐
41. Have each adult beneficiary approve the accounting and sign a release form.	☐
42. Advise the bank in writing to close the estate account once the estate is settled.	☐
43. Advise beneficiaries to consult with a financial advisor.	☐

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