



# EASING THE BURDEN OF BEING AN EXECUTOR

At some point in your life you may be asked to be the executor<sup>1</sup> of a friend's or relative's Will. While it is usually considered an honour, it can also be a complicated undertaking to settle an estate according to the deceased's wishes — one that can seem overwhelming when you're also grieving.

Acting as an executor means being responsible for an often lengthy, intensely detailed 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. Your overall responsibility as an executor is to administer the estate according to the deceased's final wishes as expressed in the Will and according to the law.

It may take about 18 months to settle even a simple estate, and the executor has to complete as many as 70 different tasks and duties. This includes finding and, if necessary, probating the Will, protecting and distributing assets, and paying outstanding debts and taxes. You will also have to prepare a final accounting for the beneficiaries of the estate.

## FIVE THINGS YOU MUST KNOW IF YOU ARE AN EXECUTOR

1. Understand the scope of the task you are being asked to perform, and assess whether you have the time and resources to perform

it, before you start acting as executor. If you determine you don't have the time, knowledge or resources, you will not be forced to act, but you must renounce your executor duties very early on, before you get involved in the estate.

2. Keep the lines of communication open with all parties involved in the estate. A big source of frustration can be unrealistic expectations about what a beneficiary will receive, and how quickly all the necessary tasks can be completed and assets distributed.
3. Stay organized. Keep all aspects of the estate completely separate from your own documents and funds, and be meticulous with your record-keeping. You will need it later when it comes time to do things such as prepare tax returns and provide an account to the beneficiaries of the estate.
4. Remember that you are a fiduciary, meaning that you will be held to the highest level of trust and integrity. You must always act in the best interests of the beneficiaries of the estate, and if things go wrong, you, not they, are personally liable.
5. Above all else, know when to seek qualified professional advice.

<sup>1</sup> In Quebec, "liquidator"; in Ontario, "estate trustee with a will."



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## SERVICES FOR EXECUTORS

Very few people who accept the honour of being an executor are prepared to simply walk away from it, even if they need or would prefer some assistance. 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 required to carry out your duties, RBC® can provide assistance and support.

RBC Estate & Trust Services has been meeting the estate needs of Canadians for more than 100 years. Estate and trust professionals are skilled in the intricacies of estate administration and can provide assistance — as much or as little as your personal situation requires. They are also sensitive to the complexities of family dynamics, and their compassion and professionalism can make estate settlement much easier on you.

## THE CONDENSED EXECUTOR CHECKLIST

Here are some of the many duties an executor can expect to carry out:

### Preliminary steps

- Locate the Will and review it for specific instructions concerning the funeral. Assist with funeral arrangements, if required.
- Obtain multiple original copies of the proof-of-death certificate (most organizations that you will deal with as executor require original documentation).
- Ensure the family's immediate financial needs can be met.
- Communicate with family and beneficiaries to gather information and set expectations.

### Probate the Will (if necessary)

- Apply for probate or instruct a solicitor to apply for probate.
- Pay probate taxes to the provincial government as determined.
- Obtain copies of Grant of Probate to deal with estate assets.

### Gather and safeguard estate assets

- Verify that adequate insurance is in place to protect assets.
- Notify banks and institutions where the deceased held accounts or had other dealings.
- Create an inventory of estate assets and value the estate.
- Open an estate account to deposit income, pay expenses and transfer assets and any balances.
- Investigate all debts owed by the deceased.
- Cancel all credit card accounts and return cards to issuers.

- Complete claims for life insurance, company and government pensions.

### Administer the estate

- Close out bank and investment accounts, clear safety deposit boxes and collect insurance proceeds.
- Manage the investments considering the suitability of specific investments.
- Pay all debts and settle all legitimate claims.
- Prepare and file income tax returns (including any outstanding returns from previous years, if not yet filed). Pay all income taxes owing. Obtain tax clearance from Canada Revenue Agency.
- Keep beneficiaries up to date on estate progress.

### Distribute the estate

- Initiate sale of assets and transfer of titles.
- Pay legacies, other bequests and the residue of the estate, obtaining receipts from each respective beneficiary after all outstanding debts and taxes have been paid.
- Prepare a final accounting of all assets, liabilities, expenses and distribution of assets for beneficiaries.
- Have each adult beneficiary approve the accounting and sign a release.

Please contact your Investment Advisor for more information on RBC's executor services, or to receive a copy of our executor guidebook, which includes a comprehensive checklist of duties.

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