



GLOBE INVESTOR

For solo seniors, who takes care of the will?

Corporate executor may be a consideration when family dynamics or complex financial arrangements are factors

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OPINION



One of life's most unappealing honours is to be selected by someone as executor for their will.

Being an executor means walking a long and grinding road – emotion, money and bureaucracy joined together in a task for which you will never receive thanks from the person who asked you to do the job in the first place.

Family dynamics dictate that adult children step up to be executors for their parents, and spouses may be able to do the job as well. But what if you're a solo senior – an emerging term for retirees who have no kids or spouse? A recent edition of my

e-mail newsletter (globeandmail.com/newsletters) highlights how solo seniors are becoming common.

An estate-planning option for seniors, solo and otherwise, is the corporate executor. Long a core service of trust companies, a corporate executor can manage pretty much everything in a professional, unbiased manner: Not just executing your will, but arranging your funeral, settling your accounts with Canada Revenue Agency and making sure your property is looked after.

Independent trust companies used to be a big part of the Canadian financial world, but they were pretty much all bought up by the big banks back in the 1990s. Those acquisitions look prescient now that we have an aging population that includes people who will need and be able to afford help managing their estates.

Scotiabank, Bank of Nova Scotia's trust division, says it has increased its estate and trust consultant staff in the past couple of years by 10 per cent to meet growing demand. Still, Scotiabank president Roxana Taviana believes the corporate executor op-

tion hasn't reached its full potential in an aging population. "A lot of average Canadians, and even above-average Canadians in terms of financial acumen and wealth experience, are not aware that these services are available from reputable banks," she said.



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ROXANA TAVIANA
PRESIDENT, SCOTIATRUST
ON CHALLENGES A FAMILY MEMBER
MAY FACE IN EXECUTING A WILL

Cost is a huge factor in deciding whether to use a corporate executor. Some provinces have set upper limits on executor compensation, often 5 per cent. Ms. Taviana said the services of a corporate executor come in below that level. "You wouldn't see a bank-owned trust company typically go over 4.5 per cent."

Clay Gillespie, managing director at RGF Integrated Wealth Management in Vancouver, said corporate executors make sense in many cases, and he does refer clients to them. "The only real downside is cost," he said via e-mail.

The exact cost of a corporate executor depends on the value of the assets in your estate and the complexity of your situation. Don't hesitate to ask for a quote if you're considering this service. As a rough guideline, it starts to make sense with assets of \$1-million or more. That's not a high threshold if you own a home in Toronto or Vancouver and have investments and savings.

Ms. Taviana said a corporate executor could perform services that include handling all dispositions of money to beneficiaries set out in the will, settling investments, pensions and annuities, paying the deceased's bills, settling up with CRA and managing the sale of a home or property. She said it can take approximately 18 months to settle an estate with an average level of complexity, and that there could be as many as 100 different tasks to perform over all.

Hiring a corporate executor has obvious appeal for solo seniors, and for people who prefer not to have their children or a spouse be executor. This may come down to having too complex an estate for financial amateurs, perhaps because there are multiple properties or a business involved.

Other reasons to consider a corporate executor: You don't think you can choose one family member without alienating others, or not wanting to burden family members with the potentially stressful job of being executor. "How the executor does every single task is under a big microscope by the rest of the family," Ms. Taviana said. "There can be a lot of family conflict, unfortunately."

Ms. Taviana said Scotiabank will also take on power of attorney for property for clients, but not for personal care. If you can't make decisions for yourself, the firm would step in to manage your finances. You're only charged if the power of attorney actually kicks in, and Scotiabank says the annual cost is set as a percentage of the market value of your portfolio.