Is your Will up to date? The challenges of settling an estate after a sudden loss

RBC Wealth Management
Estate Planning

When Greg Howson suffered a heart attack at the age of 57, he left his grieving family unprepared for the work that lay ahead.

Grieving the death of a loved one is often a painful and emotional process. When the death is tragic and unexpected, aspects of that process can become even more complicated.

When Greg Howson suffered a major heart attack at the age of 57, he left a grieving family unprepared for the work that lay ahead.

When Greg died, he was working through a separation from his partner of 18 years. Listed as the executor of Greg's estate, his partner agreed to renounce his right to act as executor. This allowed Greg's brother Garry to assume the responsibilities of administering the estate.

The importance of an executor

The sudden loss of a brother and the complex duties of an executor left Garry feeling overwhelmed and he quickly realized the prospect of settling his brother's estate alone was too daunting.

Garry turned to RBC Estate & Trust Services where he was introduced to Ernard Cavas, a senior trust officer experienced in both the technical and emotional aspects of estate settlement.

“From the very beginning, Ernard took the burden off my shoulders. Every time the phone rang, I would think 'what's wrong?' but he took the pressure off me and took care of every single detail," recalls Garry. “He kept me informed of the process, explaining things every step of the way."

“Unless someone has acted as an executor, or watched someone close to them go through the process, we generally find that Canadians do not put a lot of real thought in to whom they are appointing." says Leanne Kaufman, head of RBC Estate & Trust Services and president and CEO, Royal Trust Corporation of Canada and The Royal Trust Company. "Often they choose individuals who are their own age, meaning that they age together, and the chosen executor may not be in a position to act when needed.”

The intricacies of an estate

Settling an estate can include more than 70 individual tasks, ranging from funeral arrangements, managing investments until they are liquidated or transferred, creating an inventory of assets, keeping detailed accounts, identifying and settling any debts, selling real estate and preparing and filing multiple tax returns.

The process generally takes many months - sometimes years - for what may appear to be a simple estate. And, of course, this work needs to be carried out during a very difficult time for the family.

“If someone was faced with a sudden death of a loved one, without the help of professional services, they would find out very quickly how difficult the process is," says Garry. “The comfort of knowing I didn't have to worry was invaluable; I could grieve properly and I can't put a price tag on that."

“This wasn't customer service, this was compassionate service. Everything was just a fog for me after Greg died. In a way, Ernard saved my life. By taking the stress off my shoulders, he may well have saved me from a similar fate to my brother."

While it can be frightening to contemplate one's death, Garry believes it's important to ensure your Will and overall estate plan remains up-to-date.

“We encourage our clients to review their Wills every few years and whenever they experience a significant change in their personal circumstances to ensure their estate plan continues to reflect their wishes," says Elaine Blades, senior manager, Professional Practice Group, RBC Wealth Management Estate & Trust Services. Separation or divorce are examples that should prompt a Will review.

“People are afraid of having those conversations. People don't want to talk about death but the people left behind are the ones left with the burden," adds Garry. And to that end, he has discussed his estate plan openly with his 24-year-old daughter, so there will be no surprises when the time comes.

Plan ahead for a smooth transfer of wealth

Having these conversations can also be an opportunity to discuss how wealth should be used once it's been passed on. It can also act as a starting point for teaching family members how to manage their inheritance.

According to a 2017 survey commissioned by RBC Wealth Management, 66 percent of those who began their financial learning before age 18 reported being more confident on the topic, versus 41 percent of people who started after age 55.

General family conversations and meetings with professionals are the two most prevalent sources of information on wealth and money, according to the study. If you involve children in your estate planning, not only can you manage expectations, but you can encourage financial stewardship, setting an example for future generations.

Having a full wealth transfer strategy, including an up-to-date Will and powers of attorney for both property and personal care, can provide much needed peace of mind for those left behind.