



Settling an estate— How we can help



Wealth
Management

RBC Royal Trust

A century of trust

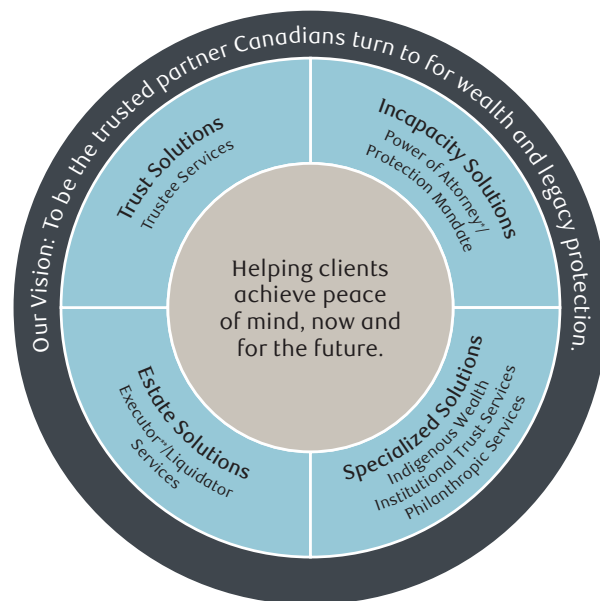
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RBC Royal Trust® has been serving Canadians since 1899. We provide individuals, families and businesses with valuable estate, trust and incapacity solutions tailored to their specific needs. Our clients are often dealing with unique and complex issues, and want a personal relationship with a skilled advisor who can deliver tailored, thoughtful solutions.

Our RBC Royal Trust team comprises specialized and experienced professionals including legal counsel, accountants and other specialists with years of estate and trust experience. We are an exceptionally strong professional trust services firm, supported by the strength, stability and resources of RBC®, one of Canada's largest banks.

What we offer our clients

- Guidance through life events and times of transition with expertise, empathy and efficiency
- Compassion and understanding of the family's experience
- Peace of mind knowing that there is stability and continuity in the long-term relationship with beneficiaries
- Assistance in the preservation, management and transfer of wealth from one generation to another by providing solutions to implement clients' estate and trust plans
- Financial security to Canadians who require assistance in the management of their affairs as they grow older



How we work with you

Our RBC Royal Trust professionals, located across Canada, have a reputation of fiduciary insight and personalized client service. They follow a disciplined process to customize a solution for your unique needs and family circumstances. They are skilled specialists committed to excellence in their field.

- Discovery—We gain a deeper understanding of your specific circumstances to identify what is important to you.
- Strategy and solutions—We analyze that information and work with you (and your other advisors) to design a customized strategy with thoughtful and creative solutions tailored to your needs, drawing on our fiduciary expertise.
- Ongoing service—Your RBC Royal Trust professional is always available to provide you with updates and guidance.

For more information, speak with an RBC advisor, call us at **1-855-833-6511** or visit our website at rbc.com/royaltrust.

* In Quebec, a power of attorney is referred to as a protection mandate.

** In Ontario, an executor is called an estate trustee with a Will. In Quebec, an executor is called a liquidator.

Introduction

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.

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 Royal Trust 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 you about your new role.



What it means to be an executor

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.

An executor is the individual or institution named in a Will that 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 the 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 estate.

Things to consider



Many people feel overwhelmed by the thought of being responsible for estate settlement when they are grieving. There are other circumstances where the services of an RBC Royal 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 RBC Royal 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 Royal Trust 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 their place.

RBC Royal Trust can help

An RBC Royal Trust professional can help you assess the tasks and responsibilities you face and offer a customized level of support.

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 of 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 Royal 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
- Facilitating the timely and orderly distribution of assets

- Providing tax assistance and expertise to minimize technical issues and maximize the net value of the estate for the beneficiaries

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 RBC Royal 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 Royal Trust may ultimately save money for the estate and heirs because of the skill and experience your advisor provides. The advantages become even clearer when the estate is complex or when you anticipate difficulties with the beneficiaries.

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 **rbc.com/royaltrust**.

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 RBC Royal 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 Royal Trust 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 RBC Royal 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 RBC Royal 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 RBC Royal Trust advisor. After assessing his needs, RBC Royal Trust 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.

While completing the appraisal process, RBC Royal Trust 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 Royal Trust 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 Royal Trust team, enabling Max to carry out his friend's last wishes efficiently and seamlessly for everyone concerned. And because Max's RBC Royal 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 RBC Royal Trust advisor in her Ottawa home, Lorna felt that having RBC Royal Trust 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 Royal Trust was familiar with a charitable organization that collects a variety of books as part of its literacy

program for developing nations. 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 Royal Trust 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 Royal Trust 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



Ce document est aussi disponible en français.
This document is also available in French.

Whether you are currently settling an estate or planning to appoint an executor* in the future, the following checklist and our free set of online tools and resources, Artie™, can help you prepare for the key tasks involved.

To learn more about Artie, the executor helper™ visit rbc.com/royaltrust-artie. If you have questions about any of your duties or want more information about how you can get help from an RBC Royal Trust® professional, please call 1-855-833-6511.

Task
Preliminary steps
<input type="checkbox"/> Locate the Will and review it for specific instructions concerning the funeral
<input type="checkbox"/> Assist with funeral arrangements if required
<input type="checkbox"/> Obtain multiple original copies of the proof-of-death certificate, as most organizations that you will deal with as executor require original documentation
<input type="checkbox"/> Probate the Will (if necessary)
<input type="checkbox"/> Review any marriage or civil union contracts, family law issues or dependant relief issues
<input type="checkbox"/> Pay probate taxes to the provincial government as determined
<input type="checkbox"/> Ensure the family's immediate financial needs can be met
Beneficiary relationship
<input type="checkbox"/> Communicate directly with the beneficiaries, gather information and set expectations regarding the distribution process
<input type="checkbox"/> Provide regular updates to the beneficiaries regarding the status of the administration
<input type="checkbox"/> Provide a copy of the estate summary document to those beneficiaries who are entitled to one
Safeguarding the estate assets
<input type="checkbox"/> Locate all of the deceased's assets (including any digital assets such as social media accounts and their associated passwords) and liabilities
<input type="checkbox"/> Notify banks and institutions where the deceased held accounts or had other dealings
<input type="checkbox"/> Open an estate account to deposit income and pay expenses, transferring any balances
<input type="checkbox"/> Cancel all credit card accounts. Complete documentation and arrange to transfer credit card rewards or other points (Avion Rewards, Aeroplan, Air Miles, Canadian Tire, etc.)
<input type="checkbox"/> Verify that adequate insurance is in place to protect assets
<input type="checkbox"/> Secure and take control of real property, including real estate and contents, and arrange for property management
Valuing the estate
<input type="checkbox"/> Locate all original investment certificates, stocks, bonds, property deeds, etc., in the deceased's personal files and safe deposit box
<input type="checkbox"/> Identify, value and record estate assets as they stood at the date of death
<input type="checkbox"/> Investigate all debts owned by the deceased
<input type="checkbox"/> Apply for and collect the Canada Pension Plan (CPP) death benefit
<input type="checkbox"/> Contact the deceased's employer or former employer regarding pension plans, retiree benefits and death benefits
<input type="checkbox"/> Apply for and collect life insurance and other insurance benefits

Task**Administering the estate**

- Review the suitability of investments held in the estate and recommend which assets are to be sold to meet cash requirements
- Invest any surplus cash until the estate is finalized, selecting from allowable investments
- Assist in establishing any trusts stipulated in the Will
- Cancel CPP and/or Old Age Security (OAS) benefits
- Apply for CPP survivor's pension and/or children's benefits and Allowance for the Survivor
- Advise the CRA to discontinue or transfer GST/HST credits and child tax benefits
- Complete documentation and arrange to transfer employment, health, pension and retiree benefits
- Return the deceased's social insurance card, passport, driver's licence and health card, obtaining any appropriate refunds
- Pay all debts and settle all legitimate claims prior to the final distribution of assets, obtaining receipts for any payments made

Taxes

- Obtain a copy of the last tax return filed by the deceased
- Complete and file all outstanding tax returns and pay any required income taxes
- Obtain a tax clearance certificate(s) from the CRA once the notice of assessment(s) is received, confirming that all tax liabilities have been settled

Distribution

- Begin distributing assets to beneficiaries according to the terms of the Will
- Distribute specific bequests (personal and household belongings) obtaining receipts from respective beneficiaries
- Prepare a reckoning of your expenses (and any compensation) as executor
- Arrange for the final distribution of the remaining assets, obtaining receipts from each beneficiary
- Prepare a final accounting of all assets, liabilities, expenses and the distribution of assets for the beneficiaries
- Have each adult beneficiary approve the accounting and sign a release form
- Advise beneficiaries to consult with a financial advisor

* Estate trustee with a Will in Ontario; liquidator in Quebec

RBC Royal Trust refers to Royal Trust Corporation of Canada and The Royal Trust Company. This document has been prepared by RBC Royal Trust for use by Royal Bank of Canada, Royal Mutual Funds Inc. ("RMFI"), RBC Phillips, Hager & North Investment Counsel Inc. ("RBC PHNIC"), RBC Global Asset Management Inc. ("RBC GAM"), RBC Dominion Securities Inc. ("RBC DS")*, RBC Wealth Management Financial Services Inc. ("RBC WMFS"), Royal Trust Corporation of Canada and The Royal Trust Company, which are separate corporate entities that are affiliated. * Member-Canadian Investor Protection Fund. In Quebec, financial planning services are provided by RMFI or RBC WMFS and each is licensed as a financial services firm in that province. In the rest of Canada, financial planning services are available through RMFI or RBC DS. RBC PHNIC, RBC GAM, RBC DS, RBC WMFS, Royal Trust Corporation of Canada and The Royal Trust Company are member companies of RBC Wealth Management, a business segment of Royal Bank of Canada.

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