



Wealth
Management



Easing the burden of being an executor

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

At some point in your life, you may be asked to be the executor* of a friend's or relative's Will. While it is usually considered an honour, it can also be a highly demanding and time-consuming responsibility—one that can seem overwhelming when you're also grieving.

It may take about 18 months or longer to settle even a simple estate as the executor needs to complete as many as 70 different tasks and duties.

Acting as an executor means being responsible for an often lengthy, intensely detailed task list that brings with it not only the burden of ensuring a loved one's last wishes are carried out, but also the potential for personal liability.

It may take about 18 months or longer to settle even a simple estate as the executor needs to complete as many as 70 different tasks and duties. These include finding and, if necessary, probating the Will, protecting and distributing assets, preparing and filing all required tax returns and paying outstanding debts and taxes owing.

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. If you determine you don't have the time, knowledge or resources, you may wish to consider renouncing the role.

2. Keep the lines of communication open with all parties involved in the estate. Many beneficiaries are unaware of how long it may take the executor to fulfill all the tasks necessary before they can make any distributions.

3. Stay organized. Keep all aspects of the estate completely separate from your own financial affairs. Be meticulous with your record-keeping. You will need detailed and accurate information to prepare tax returns, provide an account to the beneficiaries of the estate and calculate the executor's compensation.

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; if things go wrong, you, not they, may be personally liable.

5. Above all else, know when to seek qualified professional advice.

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

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
- 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 the assets
- Notify all relevant banks and institutions

- 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 cards, memberships and subscriptions
- Complete claims for life insurance, company and government pensions

Administer the estate

- Close bank and investment accounts, clear safety deposit boxes and collect insurance proceeds
- Manage the investments pending distribution or sale
- Pay all debts and settle all legitimate claims
- Prepare and file income tax returns. Pay all income taxes owing. Obtain tax clearance from the Canada Revenue Agency
- Keep beneficiaries up to date on the estate settlement progress

Distribute the estate

- Initiate the 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 the distribution of assets for beneficiaries
- Have each adult beneficiary approve the accounting and sign a release

Services for executors

Given the responsibility, risks and time commitment involved, it's good to know that help is available and that executors are not expected to fulfill all of their duties and responsibilities alone.

If you have questions about any of your duties or want more information about how you can get help from an RBC Royal Trust® advisor, please call **1-855-833-6511** or visit our website at rbc.com/royaltrust.

* Probate is not required for notarial Wills in Quebec, and may not be required in other jurisdictions in limited circumstances.

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. 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.

The strategies, advice and technical content in this publication are provided for the general information only and benefit of our clients. This publication is not intended to provide specific financial, investment, tax, legal, accounting or other advice for you, and should not be relied upon in that regard. Readers should consult their own professional advisor when planning to implement a strategy to ensure that individual circumstances have been considered properly and it is based on the latest available information.

® / ™ Trademark(s) of Royal Bank of Canada. RBC and Royal Trust are registered trademarks of Royal Bank of Canada. Used under licence.

© Royal Trust Corporation of Canada and The Royal Trust Company 2020. All rights reserved. Printed in Canada. VPS107445

101314 (10/2020)