



Wealth
Management



A message from RBC Royal Trust to our clients: Estate planning and estate administration during COVID-19

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

We are living in unprecedented times as the COVID-19 situation continues to evolve. At RBC Royal Trust, our priorities remain focused on providing thoughtful guidance and support to you, our clients, with your estate planning and estate administration needs. We have quickly adapted to the situation and want you to know we continue to offer our full range of services.

That being said, it's not "business as usual." In addition to changing how we work—adopting safe practices including physical distancing, finding new ways to communicate and deal with documentation—we know you may be feeling a greater sense of urgency and concern at this time. This may be especially true should you wish to prepare or update your Will and mandate in case of incapacity (mandate) and for liquidators called upon to administer an estate under very trying circumstances.

The following sets out the answers to some estate planning and estate administration FAQs we're hearing from you.

Estate Planning FAQs

Is this a good time to be thinking about my estate plan?

- Yes. This uncertain climate may be prompting you to think about your estate plan and what you can or should be doing at this time.

- Our experience shows that the demand for preparing or updating these important documents often increases as a result of a significant life event. While that typically means things like the birth of a grandchild or change in marital status, no doubt a pandemic qualifies as well.
- Whether you are looking to prepare these important documents for the first time or to update your existing plan, we're here to assist you in doing so now.

Is there anything besides my Will and mandate I should be thinking about?

- As you think about your Will and mandate documents, careful consideration should be made as to who you appoint as your liquidator and mandatory for property. Given current travel restrictions, geographic location may be a factor for who you appoint.
- The current market turmoil and other economic factors may represent an opportunity for business-owners and individuals with holding companies (active corporations and/or investment holding companies) to engage in more advanced planning techniques such as an estate freeze/family trust.

Is RBC Royal Trust accepting new Will/mandate clients at this time?

- Yes. We are positioned to work with you and your lawyer to ensure documents are prepared in a timely manner. In lieu of in-person meetings, we are available to communicate with you via phone or video conference and documents can be securely emailed.

How can these important documents be witnessed when we are physical distancing?

- Provincial governments, law firms and individual lawyers have introduced solutions to make preparing and executing documents possible, while maintaining the integrity of the process and adhering to safety protocols.
- Changes to standard procedures may include wearing masks and gloves, meeting in open spaces and, the ability to have Wills and mandates "virtually" witnessed.
- Beginning April 1st, notaries in Quebec are allowed to sign a notarized document remotely.

Estate Administration FAQs

I'm the liquidator of an estate where the value of the estate's investments has dropped significantly. Should I liquidate now or wait for the market to rebound?

- Each situation is unique and the value of the estate's investments and other assets is just one of many factors which must be considered when deciding when to sell.
- It's important to note that in some cases this may not be a significant issue. Depending on how assets are owned (solely or in joint tenancy where right of survivorship applies) and the terms of the Will, it may be possible to distribute some estate assets in kind (also known as *in specie*), thereby avoiding the need to sell at a non-optimum time.
- In most cases some or all of the estate assets will need to be sold in order to satisfy debts of the deceased and estate, including income tax, and also to make proper distributions to beneficiaries.
- You have a duty to act prudently with a view to safeguarding and protecting the assets of the estate. It would be unwise to try and time the market. (Our [Liquidator's checklist](#) provides additional information on the numerous tasks and duties involved in administering an estate.)

Have the deadlines for the filing of estate tax returns been extended as a result of COVID-19?

- Certain tax filing deadlines have been extended; however, the rules and dates for calculating liability for taxes have not changed. The date of death remains the key date.
- Subject to exemptions (for the principal residence for example) or available rollovers (to a surviving spouse or spousal trust, for instance), the deceased is deemed to have disposed of all capital assets for proceeds equal to fair market value as at the date of death, resulting in a taxable capital gain or loss.

The extended filing dates are as follows:

For estate tax returns for individuals who died in 2019, where the deadline for filing was April 30, 2020:

- **New filing deadline:** June 1, 2020
- **New payment deadline:** September 1, 2020

For trusts with a December 31, 2019 year-end:

- **New filing deadline:** May 1, 2020
- **New payment deadline:** September 1, 2020

For trusts where the deadline for filing was April-May, 2020:

- **New filing deadline:** June 1, 2020
- **New payment deadline:** September 1, 2020

If a liquidator can't physically come to an RBC branch to open an estate account, how can they pay funeral and other urgent bills?

- Contact your advisor who can help guide you through the process.
- Liquidators can contact RBC's Estate Centre of Excellence at 1-866-953-8271 (toll free from the US and Canada) for assistance.
- You may find that hiring an agent, such as RBC Royal Trust, to assist you in administering the estate is an ideal solution at this time. To facilitate account opening for this service, eSign—a digital signature solution that enables clients to sign account agreements electronically—has been implemented.

Whether you are looking to prepare or update your Will and mandate or you're a liquidator who would benefit from assistance in administering an estate, RBC Royal Trust can help.

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

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