



Chartered
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Accountants

Executor Guide

Navigating the world of estates can be difficult at the best of times. Our team of experts are available to walk you through the key responsibilities in your role as an executor.

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Table of Contents

1. What to Expect	2
◦ What is an Executor?	
◦ Responsibilities of an Executor	
2. First Steps	4
◦ Locate the Will	
◦ Funeral and Notifications	
◦ Assess and Safeguard Assets and Liabilities	
◦ Meet with Advisors and Probate Consideration	
3. Your Well-Being Check-In	10
4. Manage the Estate	12
◦ Opening an Estate Bank Account	
◦ Closing/Liquidating Assets and Settling Debts	
◦ Interim Distribution and Tax Liability Estimates	
5. Filing Taxes	16
6. Distributing Assets to Beneficiaries and Closing the Estate	19
◦ How to Make Interim and Final Distributions	
◦ Clearance Certificate	
◦ Executor Compensation	
◦ Closing the Estate	
7. Your Executor Checklist	24
8. Inventory Checklist	26
9. Resource Information	30
10. Glossary	32
11. Notes	35

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Responsibilities of an Executor

As an executor you are responsible for carrying out the deceased's wishes. The deceased often shares their wishes and intentions in their Will. You may feel overwhelmed and unsure what your responsibilities are with this new role, so we have created this guide to assist you during the process.

You will be responsible for many tasks during the process, such as: funeral arrangements, notifying the family, paying all **liabilities**, protecting **assets**, ensuring you are aware of all assets and their value in the estate, filing all outstanding tax returns, communicating with the **beneficiaries**, and finally distributing the estate to the beneficiaries.

As the executor you are responsible for ensuring that all wishes of the deceased are fulfilled and the estate is administered based on the terms of the Will or by statute in cases where the deceased died **intestate** (without a valid Will). We recommend reaching out to professionals to assist with the administration of the estate such as legal counsel, an accountant, a real estate agent and/or financial advisors to avoid or minimize potential personal liabilities. Administering the estate may take an average of 18 to 24 months. It may take longer depending on the complexity of the assets and dynamics of the estate.

If you are unable and/or unwilling to act as an executor, please seek legal advice as soon as possible to determine the process to **renounce** your duties. Note that you should not take any actions that would normally be taken by an executor if you are unable or unwilling to act as an executor.

2. First Steps

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Funeral and Notifications

Funeral arrangements for the deceased may be prepaid or are usually considered an estate expense. Hopefully, they have discussed their funeral arrangements or wishes with you previously or have specified in their Will what their wishes are. The funeral home will often assist in applying for the CPP death benefit, if applicable. You will want to obtain multiple certified copies of the death certificate from the funeral home as you may need to provide certified copies to various agencies as you administer the estate.

You will want to notify Canada Revenue Agency ("CRA"), Service Canada, financial institutions, insurance companies, and any employers, or previous employers of the deceased's passing. Please see the Executor's Checklist section (page 24) for a detailed list of possible notifications.

Assess and Safeguard Assets and Liabilities

As the executor, you will need to determine the worldwide assets and liabilities that the deceased held on the date of passing.

Assets are any property solely and/or jointly owned by the deceased. You may need some assistance in ensuring you are aware of all bank accounts, investment accounts (registered or non-registered), shares in private corporation(s), real estate, vehicles, insurance policies etc. Some assets may have named beneficiaries or joint ownership which may not have to be included in the assets to be probated. However, all assets of the deceased should be listed so the proper income tax treatment can be determined. You will need to know the value of all assets in the estate on the date of passing. This could be as easy as obtaining reports from the financial institution or it may require having valuations prepared on real estate or private company shares, for example.



Assess and Safeguard Assets and Liabilities (continued)

It is important to safeguard the assets. This means possibly collecting property such as vehicles, antiques, collections or securing any real property such as locking the cottage or potentially changing locks on real property. You will also want to keep paying insurance on property to ensure coverage continues.

Liabilities are any amounts owing by the deceased. This could include credit card debt, mortgages, loans, etc. You will want to ensure that you are aware of all debt or financial obligations owed by the estate.

Additionally, you will need to take care of any dependents, especially financial dependents, and their short-term needs, such as feeding and looking after any pets as an example.

Meet with Advisors and Probate Consideration

One of the first professional advisors you will want to connect with is a lawyer. Your lawyer can help you read through the Will and administer the estate. Should the deceased die intestate, your lawyer can advise as to the process to apply to be administrator of the estate and the probate process, if applicable. They can help track down the assets, liabilities and even beneficiaries of the estate. Your lawyer may be able to provide you with some best practices on communicating regularly with the beneficiaries and your lawyer can also help determine if probate is required for the estate. **Probate** proves that the Will is the true last Will of the deceased and that you have the authority to administer the estate. If probate is required, your lawyer can file for probate in the courts on your behalf and there may be **probate fees** to pay, which the lawyer can assist with calculating. Your lawyer may assist with the **Estate Information Return** filing as well which is required when filing probate in Ontario.

Meet with Advisors and Probate Consideration (continued)

Next you will want to meet with financial advisors and the banks of the deceased. Often these financial institutions will require a copy of the probated Will to give access to the deceased accounts; however, it's best to meet with these advisors prior to receiving probate to notify them of the deceased passing and gather the list of assets and liabilities. Your financial advisor can help run any reports you may require during the process and let you know if any of the accounts have named beneficiaries or are held jointly to assist with the **liquidation** or transfer of any assets held with them.

Finally, you will want to meet with an accountant who prepares deceased and estate tax returns as not all accountants/tax preparers have the necessary expertise for these tax filings. Your accountant can go over the various potential tax filings with you, confirm the deceased is up to date with their tax filings and assist in preparing a tax liability estimate so you may make an interim **distribution** to beneficiaries. Your accountant can also assist in applying for the final **Clearance Certificate** with CRA to ensure that all tax returns have been filed and CRA won't issue any reassessments prior to making a final distribution.

3. Your Well-Being Check-In

Whether the loss you have experienced was expected or sudden, the burden of grief can take its toll on your physical and mental well-being. At this point, check in with yourself and assess how you're coping.

Here are some questions to ask yourself:

Am I getting enough sleep? Sleep disruption and fatigue are common in the wake of loss. If your sleeping patterns have changed (sleeping more or less than normal) it could be a sign of stress.

Am I eating well and enough? It's common to stress eat a little but skipping meals and failing to nourish your body properly can exacerbate your unpleasant feelings.

Am I getting the support I need? As the executor of the estate, you may feel that the burden rests solely on your shoulders. It is important to seek support during this difficult time.

Am I keeping up my routine? In the days, weeks, and months after experiencing loss it may feel impossible to return to life as you knew it. Keeping consistent in your routines and schedules can help you feel less off-balanced. Regular exercise, proper nutrition and hydration and taking care of yourself will help you manage grief and stress more productively.

Additional Resources

Remember, when you take care of yourself it is far easier to take care of others. Be kind to yourself and ask for help when you need it.

Navigating grief and loss can be challenging. We've compiled a collection of trusted Canadian resources to support you through the grieving process.

Scan the QR code below with your camera app, to visit our online Resource Centre, where you'll find:

- Grief and loss support resources
- Information for spouses, families, and caregivers
- Mental health and wellness resources
- Additional guidance and educational materials



4. Manage the Estate

Opening an Estate Bank Account

Once you have the authority to administer the estate, you will normally need an estate bank account that can either be a trust fund held at your lawyer's office or an account at any financial institution. Ensure this account is in the name of the estate and does not have your name associated to keep it clear that it is not your personal funds. This account should be used to transfer all other financial accounts and cash from liquidation of assets. Estate expenses and distributions are also paid from this account.



Notes

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Closing/Liquidating Assets and Settling Debts

After receiving the **Certificate of Appointment** of Estate Trustee with a Will, you can start determining the best course of action for each asset to begin administering the estate. You may want to transfer over any bank accounts to the estate bank account. Review the assets and current debts of the estate, and then consider what expenses the estate may still have such as income taxes, legal and accounting fees, and executor compensation to ensure that you have enough assets in the estate to cover both current and future expenses. You may want to request a tax liability estimate from your accountant to help with the estimated income tax and accounting fees and then consult with your lawyer to determine any other estimated expenses.

Once you know that you have enough assets to cover the estate expenses, you can look at potentially liquidating or transferring the non-cash assets such as investment accounts and real estate. Prior to making these decisions, you may want to speak to your accountant to ensure you aren't missing out on any tax planning opportunities.

Interim Distribution and Tax Liability Estimates

Most estates take an average of 18 to 24 months to administer. A **tax liability estimate** may allow for you to make an interim distribution to the beneficiaries, if desired. You will want to ensure that the estate holds back sufficient funds to satisfy all liabilities and debts of the estate and should consult with your legal counsel prior to making any distribution.

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5. Filing Taxes

In the year of death there can be multiple tax filings required such as a terminal tax return, rights or things tax return and estate tax return.

A terminal tax return is the deceased's final tax return while they were alive. The terminal tax return reports income from January 1st until the date of death. This tax return is due on the taxpayers regular filing deadline (April 30th or June 15th of the following year), with some exceptions. This tax return includes deemed dispositions on the assets held by the deceased on their date of passing. A terminal tax return must be filed for every deceased taxpayer. This tax return can often have a large tax balance owing due to the deemed disposition of assets. This is another reason why it may be a good idea to check with your accountant to see if a tax liability estimate would be beneficial, so you are not surprised by the taxes owing and have sufficient cash available to pay any taxes payable.

The rights or things tax return is an optional return that can report certain income that was earned from January 1st until the date of death but not yet received on the deceased's date of passing. This tax return is due on the taxpayers regular filing deadline (April 30th or June 15th of the following year), with some exceptions. Your accountant can advise whether this optional tax return is beneficial to the deceased taxpayer's situation.

The estate tax return may have a year-end of no later than the one-year anniversary of the date of death. The estate tax return reports income earned from the day after death up until the year-end. This tax return is due 90 days after the year-end of the estate.

Notes

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Filing Taxes (continued)

If all assets held by the estate have been distributed and liquidated to the estate bank account, you may choose a year-end date earlier than the one-year anniversary of the date of death to complete the estate tax return sooner. If assets are still held by the estate after the one-year anniversary of the date of death, an additional estate tax return will need to be filed. The estate tax return is considered a graduated rate estate (GRE) up to 36 months after the date of death of the deceased during which time the estate has access to the graduated marginal tax rates. After the 36-month period, any estate tax returns would be taxable at the highest marginal tax rates.

Based on the terms of the deceased's Will, there may be other testamentary trusts created that may require additional trust tax return filings. These additional tax returns would have a December 31st year end and are due 90 days after the year end.



6. Distributing Assets to Beneficiaries and Closing the Estate

How to Make Interim and Final Distributions

Interim distributions may be made once you have established the debts and estimated future expenses of the estate. There may be one or more interim distributions made throughout the administration of the estate. A sufficient holdback is normally recommended at this stage of the process if you anticipate making an interim distribution.

The final distribution of the estate may be made once you have received the final Clearance Certificate from the CRA. After receiving the Clearance Certificate, you will want to ensure all final estate expenses have been paid before distributing the remainder of the estate.

When making interim and final distributions to beneficiaries from an estate, your lawyer may recommend preparing release forms for the beneficiaries to sign as acknowledgement of the receipt of the assets. Special rules, or additional filings, may be required if any beneficiaries are non-resident of Canada. It is important that you consult with your lawyer and accountant prior to making any distributions to non-resident beneficiaries.

Clearance Certificate

The executors of an estate may choose to apply for a **Clearance Certificate**. A Clearance Certificate requests CRA to perform a review of any tax returns of the deceased taxpayer which are still open for possible reassessment. Once the Clearance Certificate is issued, the estate is relieved from any reassessment resulting in additional income taxes (some exceptions apply). If the executor chooses not to request a Clearance Certificate, income tax returns generally become statute barred three years from the date the last Notice of (Re)Assessments. Any returns that fall within this time frame are considered open taxation years.

All tax returns for the estate must be filed, all taxes paid and all Notices of (Re)Assessment for all tax returns received before a Clearance Certificate can be applied for.



Executor Compensation

Executor compensation is typically considered employment income unless it is taken by an executor who regularly provides this service; then it would be considered professional income and HST may be applicable.

If executor compensation is taken as employment income, a payroll account will need to be setup, payroll deductions may need to be calculated and a remittance to the Receiver General would need to be paid from the estate funds within 15 days after the end of the month in which an executor compensation payment was taken.

A T4 slip for the executor(s) taking the payment(s) will also need to be prepared and filed and the payroll account will need to be closed thereafter. Your accountant can assist you with this process.

Closing the Estate

After you have paid all final estate expenses and have made the final distributions, you may close any estate accounts and your duties as the executor of this estate are complete. You will want to hold onto the estate income tax records and supporting documents as recommended per CRA's guidelines. You can find more information on these guidelines in the resource section on page 32.



Notes

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7. Your Executor Checklist

Executor Checklist (not always completed in this order)

- ☐ Locate the Will
- ☐ Meet with the family
- ☐ Assist in making funeral arrangements, if applicable
- ☐ Obtain death certificate
- ☐ Apply for death benefits
- ☐ Assess assets and liabilities
- ☐ Identify if the deceased held foreign assets and determine if a foreign Will exists
- ☐ Meet with estate lawyer
- ☐ Determine if probate is required and apply, if applicable
- ☐ Open estate bank account, if applicable
- ☐ Meet with an estate accountant
- ☐ Notify government agencies (i.e., CRA, Service Canada)
- ☐ Notify previous employer and determine if there are any survivor pension benefits or insurance proceeds, if applicable
- ☐ Notify financial institutions, insurance companies, brokers and employers of the deceased's passing
- ☐ Cancel driver's license, health insurance, OHIP, passport (*optional*), credit cards, subscriptions, memberships, telephone, cable, internet, and utilities and request refunds if applicable

Executor Checklist (not always completed in this order)

- ☐ Review and identify any digital assets and social media accounts and cancel any applicable accounts
- ☐ Assess and terminate/transfer any lease, rental or sublet agreement (i.e., apartment, vehicle, etc.), if applicable
- ☐ Arrange for Canada Post to reroute deceased's mail
- ☐ Locate and obtain title documents for real estate, mortgages, share certificates, bonds and GIC's, if applicable
- ☐ Arrange valuations of real estate, personal property, vehicles, and investment portfolio(s), if applicable
- ☐ Review insurance coverage on estate assets, if applicable
- ☐ Confirm when distributions will be made and communicate with beneficiaries
- ☐ Assist with establishing any trusts created in the Will
- ☐ Pay liabilities and liquidate assets
- ☐ File required tax return(s)
- ☐ Apply for Clearance Certificate, if applicable
- ☐ Payout executor compensation, if applicable
- ☐ Pay final estate expenses and pay final distributions
- ☐ Close estate accounts, if applicable

8. Inventory Checklist

Estate of _____
(Deceased's name)
 Inventory Checklist
 As at _____
(Date)



ASSETS

	NAME(S) ON ACCOUNT	NAMED BENEFICIARIES (yes/no)	VALUE
Bank, Investment and Insurance Accounts			
Bank Account			
Non-Registered			
GICs/Term Deposits			
RRSPs			
RIFs			
LIRA			
Tax Free Savings Account			
Life & Disability Insurance			
Company Pension Plan			
Other			
Other			
Other			

Total Bank, Investment and Insurance Accounts _____

Estate of _____
 (Deceased's name)
 Inventory Checklist
 As at _____
 (Date)



ASSETS

	NAME(S) ON TITLE	ADDRESS	ESTIMATED FAIR MARKET VALUE
Real Estate			
Principal Residence			
Vacation Property			
Rental Property			
Farm Land			
Other Property			

Total Real Estate

Business and Other Assets

	DESCRIPTION	ESTIMATED FAIR MARKET VALUE
Corporate Business Shares		
Listed Personal Property		
Other		

Total Business and Other Assets

TOTAL ASSETS

Inventory Checklist

Estate of _____
(Deceased's name)
 Inventory Checklist
 As at _____
(Date)



LIABILITIES

	NAME(S) ON ACCOUNT	INSURANCE (yes/no)	BALANCE OUTSTANDING
Mortgage and Debts			
Mortgage			
Loan			
Line of Credit			
Credit Card			
Vehicle Lease/Loan			
Income Tax			
Other			
Other			
Other			
TOTAL LIABILITIES			

Notes

[illegible]

9. Resource Information

Navigating administrative tasks after a loss can feel overwhelming. Having access to clear, reliable information can help make the process more manageable.

We've gathered key resources to assist with important next steps following a passing.

Scan the QR code below using your camera app to access our online Resource Centre, where you'll find:

- Information on notifying the Canada Revenue Agency (CRA)
- Guidance on cancelling Canada Pension Plan (CPP) and Old Age Security (OAS) benefits
- Details on cancelling a driver's licence and OHIP coverage
- CRA record retention requirements and related resources



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10. Glossary

Asset:

Property (i.e., real estate, investments, cash, etc.) that was owned by the deceased at the time of death.

Beneficiary:

Someone who the deceased leaves assets to upon their passing. This can be done within the Will or on certain accounts as a named beneficiary.

Certificate of Appointment:

A certificate issued by the court once probate is approved certifying that the trustee(s) have legal authority to act on behalf of the estate.

Clearance Certificate:

Certificate issued by Canada Revenue Agency after reviewing the estate tax filings to confirm that no further tax liabilities are owed at the time the certificate is issued.

Distribution:

The delivery of cash (or an asset) to a beneficiary.

Estate:

An individual's assets and liabilities owned on the date of passing that make up the deceased's net worth.

Estate Administration:

Carrying out the wishes of the deceased by collecting all their assets, paying their liabilities, and distributing remaining assets to beneficiaries of their Will.

Estate Information Return:

A report submitted to the Ministry of Finance within 180 days of receiving a Certificate of Appointment to verify the correct amount of Estate Administration Tax was paid during the probate application process.

Estate Liquidation:

The process of turning estate assets into cash.

Executor Compensation:

Employment income paid from the estate to the estate executor(s) for estate administration work.

Intestate:

The term used when someone passes away without a Will.

Liability:

Any debt or financial obligation of the deceased person that incurred while alive and expenses the estate incurs after the date of death.

Probate:

The legal process where a Will is proved in court and accepted as a valid public document that is the true last Will of the deceased. There are certain criteria to determine if probate is required.

Probate Fees:

Provincial tax paid on the value of the estate assets during the Probate application process. Sometimes referred to as Estate Administration Tax.

Glossary (continued)

Renunciation:

The formal act where an executor gives up their legal responsibility to administer the Will.

Tax Liability Estimate:

An estimate of taxes and estate expenses which will be owed by the estate for future tax filings to assist in calculating the amount of interim distributions to beneficiaries.

Trustee:

A trustee is someone who has been appointed by the courts to be responsible for administering a person's estate upon their passing. There can be multiple people appointed to administer one estate.

Will:

A legal document that expresses a person's wishes to distribute their assets upon death.

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Notes

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“RLB supported me through a difficult time and made me feel comfortable and confident that I had chosen the right team.”



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