

# Executor support: a resource for advisors and clients



## Introduction

Being an executor is a complicated and time-consuming undertaking. Executors' tasks include many major endeavours, such as collecting and establishing an exhaustive inventory for probate and tax filings, as well as numerous additional activities, such as cancelling all bills and subscriptions. There can easily be over a hundred individual tasks to complete and, even with the help of a lawyer or accountant, an executor will likely spend hundreds of hours on completing these responsibilities.

## What is Executor Support

Executor Support is a comprehensive service offered to executors by Solus Trust, under which Solus Trust assumes all of the administrative tasks of the executor. While the executor retains decision-making authority, Solus Trust carries out minor and major tasks involved in administering the estate on the executor's behalf. This offering can save the executor countless hours of work and remove the stress involved in managing beneficiary relationships, meeting deadlines, and dealing with various financial entities, all while grieving the loss of a family member or friend.

Solus Trust provides guidance to the executor to assist in their decision-making. This guidance is not meant to replace legal, tax, or investment advice, but rather to help navigate the responsibilities and hazards that arise from the executor's role. Executors have many imposed duties, such as a duty to act impartially and in the beneficiaries' best interests, a duty of loyalty, and a duty of care to the estate. Any breach of these duties can result in personal liability for the executor. By using Solus Trust's Executor Support services, an executor has access to the expertise of the trust company and its estate professionals in order to meet these crucial legal duties.

When Solus Trust is retained to provide Executor Support, the trust company works alongside a lawyer and an accountant of the executor's choosing, as well as their financial advisor. It is important to understand how each role differs.

## How is Executor Support different from the services lawyers or accountants provide?

Lawyers and accountants each have a particular role to play in the estate administration process. Most commonly, lawyers are retained to complete the application for probate (where required), consult on legal issues that may arise, and assist in preparation of legal documents such as for the sale of a property. However, most lawyers do not take additional steps to ensure that all assets and debts have been properly located, secured, and valued; this is the executor's responsibility. In addition, a lawyer may be retained to communicate with beneficiaries on the executor's behalf, but the executor is likely to field many, if not all, inquiries by beneficiaries directly.

Generally, accountants are retained to complete the deceased's terminal tax return, the estate tax returns, and provide tax advice as necessary. If an estate has complex corporate structures or unique tax issues, the executor will need to work closely with an accountant to address these issues. However, accountants rarely provide assistance beyond tax advice. Ultimately, addressing tax issues is an important but narrow part of the estate administration.

Sometimes a lawyer or accountant will agree to act as agent for the executor, although this is becoming increasingly rare. Some lawyers, for example, will take on the administration of the estate and will charge an executor's fee of 4% or 5% to do so. Others may agree to undertake the estate administration at their usual hourly rate. Considering it can take several hours to deal with menial items, clients may be in for a shock when they receive a bill for hundreds of dollars simply for cancelling a phone service, let alone lengthy tasks such as producing the estate inventory.

### **How is Executor Support different from the services a financial advisor would provide?**

Executors often lean on their financial advisors for support and advice during the estate administration process. They also look to their financial advisor for assistance in managing investible assets, and completing paperwork to transfer such assets between institutions.

While a financial advisor may spend significant time providing support and advice to an executor, as well as dealing with the transfer or distribution of investment accounts, this still does not release the executor from their many other tasks.

Sometimes an executor may ask their financial advisor for advice on how to settle an estate, but a financial advisor who gives legal or tax advice puts themselves at risk of personal liability. Assistance on settling the estate itself can and should be provided by a trust company like Solus Trust under our Executor Support service.

The table below summarizes the various executor tasks commonly delegated to Solus Trust through Executor Support, and those delegated to financial advisors, lawyers, and accountants.

## Summary of tasks ordinarily completed by professional type

Task	Executor Support	Financial Support	Lawyer	Accountant
Advising the executor on their fiduciary duties	X		X	
Arrange and pay for funeral and burial	X			
Obtain multiple copies of proof of death	X			
Look through all the personal papers at the home/ business of the deceased	X			
Identify and locate all the assets and liabilities	X			
Arrange safekeeping for all valuables such as jewelry, art collections, stock certificates, etc.	X			
Identify all digital assets (i.e., social media accounts, clouds, online access and passwords)	X			
Notify financial institutions to ensure accounts are frozen	X			
Open an estate account	X			
Cancel all credit cards	X			
Identify and transfer any loyalty program benefits (i.e., Aeroplan, Air Miles, credit card rewards programs)	X			
Identify all assets requiring insurance (homes, cars, boats, etc.); notify insurance companies	X			
Ensure adequate insurance is in place as required to protect the assets	X			
Secure and take control of all real estate (change locks, notify tenants, etc.)	X			
Arrange for property management, as required	X			
Re-direct mail	X			
Communicate directly with the beneficiaries to establish relationships and set expectations	X		•	
Provide ongoing updates as it relates to the estate process and timely replies to all queries	X		•	
Notify the beneficiaries, when appropriate, to their interest in the estate (copies of the Will as required)	X		•	

Prepare and ensure completeness of estate summary (inventory)	<b>X</b>		•	
Provide a copy of the estate summary (inventory) to the beneficiaries, as applicable	<b>X</b>		•	
Provide copies of statements of the estate account to the beneficiaries, as applicable	<b>X</b>			
Locate all original investment certificates, stocks, bonds, mutual funds, property deeds, vehicle registrations, safety deposit boxes, etc.	<b>X</b>			
Obtain, as required, a certified appraisal for all non-financial assets (real property, art collections, stamp collections, fine jewelry, cars, etc.)	<b>X</b>			
Record the value of all the assets for the estate as of date of death	<b>X</b>			
Complete application for probate as required			<b>X</b>	
Complete Estate Information Return if required	<b>X</b>		<b>X</b>	
Contact current and former employers to identify pension plans, retiree benefits, death benefits, insurance policies	<b>X</b>			
Apply for and collect all pension and death benefits	<b>X</b>			
Apply for and collect all life insurance payable to the estate	<b>X</b>			
Review all investments and determine risk and suitability	<b>X</b>	<b>X</b>		
Liquidate assets to ensure cash on hand to manage the estate process	<b>X</b>	<b>X</b>		
Invest excess cash in low risk/secure/liquid investments		<b>X</b>		
Cancel pension, CPP, OAS, other foreign pensions, if applicable	<b>X</b>			
Apply for survivor benefits / death benefits	<b>X</b>			
Contact CRA to cancel all transfer credits	<b>X</b>			
Ensure all employment benefits are transferred in a timely as required	<b>X</b>			
Cancel and return all government issued documents (SIN, passport, health card, driver's license); obtain refunds if applicable	<b>X</b>			

Organize and oversee the sale of real estate, if needed	<b>X</b>			
Transfer title of real estate property			<b>X</b>	
Organize and oversee the sale, transfer, or dissolution of private business interests	<b>X</b>			
Draft legal documents for private business interest			<b>X</b>	
Pay debts and settle all verified claims against the estate; obtain receipts for all payments made	<b>X</b>			
Complete all provincial requirements: i.e., notice to creditors, notice of closure of inventory, to satisfy legal obligations	<b>X</b>			
Obtain copies of previous years filed tax returns	<b>X</b>			
Obtain all documents necessary to file tax returns	<b>X</b>			
Complete all outstanding tax returns for any unfiled years				<b>X</b>
Prepare and file necessary estate tax returns for assets held outside of Canada (e.g. US situs)				<b>X</b>
Prepare and file T1 terminal tax return and any elective tax return				<b>X</b>
Prepare and file estate tax returns for each year required (T3)				<b>X</b>
Review all returns prior to filing	<b>X</b>			<b>X</b>
Obtain and review all assessments	<b>X</b>			<b>X</b>
Request final clearance certificates	<b>X</b>			<b>X</b>
Undertake distribution of assets to beneficiaries according to the terms of the Will	<b>X</b>			
Deliver personal effects and specific bequests (obtain receipts from beneficiaries)	<b>X</b>			
Prepare an accounting of the expenses and payments to and from the estate	<b>X</b>			•
Set up trust accounts if required by the terms of the Will	<b>X</b>			
Distribute assets to the residual beneficiaries (usually in 2-3 phases following key tax filings); ensure to receive receipts from beneficiaries	<b>X</b>			

Prepare a final rendering of accounts of all assets, liabilities, expenses and disbursements from the estate	<b>X</b>			•
Ensure completeness of all estate accounts	<b>X</b>			
Ensure each beneficiary approves the executor accounting by written sign-off (minors should be represented by the tutor or guardian)	<b>X</b>			

*\* This service may be provided by the professional in question. Where a client makes use of our Executor Support service, these tasks are completed by Solus Trust, saving on legal and accounting fees.*

The first step of being an executor is to understand the role and consider what might lie ahead. This can be overwhelming. Having a conversation with us can be a crucial step in considering the options available to you.

Talk to your advisor for more information.



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