

## Checklist for Executor or Administrator of an Estate

<b>Preliminary Steps - Should begin soon after death</b>	
Locate the Will, Review Instructions <b>If no Will</b> , an individual or trust company must apply to be appointed by the BC Supreme Court.	<input type="checkbox"/>
Check for deceased's consent to organ donation by checking the Organ Donor Registry of BC. <b>If deceased lived outside of BC</b> , provincial laws permit consent through wishes of family members.	<input type="checkbox"/>
Assist with funeral arrangements. Executor authority to make funeral arrangements supersedes wishes of the beneficiary but should not be contrary to wishes of deceased (check the Will). <b>Note:</b> Cost of funeral and obituary is a proper expense of the estate.	<input type="checkbox"/>
Obtain multiple original copies of the Proof of Death Certificate for dealing with contacts of the deceased including banks, insurance companies, investment firms. <b>Note:</b> This is normally issued by the province but can be burial certificate or coroner's report.	<input type="checkbox"/>
Retain a Solicitor. The lawyer can prepare the application for grant of probate and carry out legal requirements including conveyance of real property and passing of accounts (if needed).	<input type="checkbox"/>
Arrange initial meeting with Beneficiaries. Explain process, update on status, answer questions. Discuss executor duties and obligations (may be specific duties and powers set out in Will). <b>Note:</b> Beneficiaries are often most interested in when they will receive their inheritance, debts and taxes paid, what fees executor will receive.	<input type="checkbox"/>
Ensure Family's immediate financial needs can be met. Look for life insurance policies, pension plans, registered plans with designated beneficiary or joint property that can pass directly outside the Will.	<input type="checkbox"/>
Probate the Will if required- called "Letters Probate" in BC. <b>If person died intestate (without a Will)</b> , had a Will without an executor assigned or all named executors died. <b>Note:</b> Financial institutions require probate before release of assets to confirm it's deceased's last Will.	<input type="checkbox"/>
<b>Requirements to apply for probate:</b> <ul style="list-style-type: none"> <li>Original Will <input type="checkbox"/></li> <li>Affidavit of Witness to the Will <input type="checkbox"/></li> <li>List the value of assets and liabilities on the date of death <input type="checkbox"/></li> <li>Pay probate fees to province of domicile of the deceased <input type="checkbox"/></li> </ul>	

  

<b>Ongoing Duties - Communication Required with Beneficiaries</b>	
Provide a copy of estate summary to residual beneficiaries. <b>Note:</b> Beneficiaries only entitled to specific bequests (a personal property) are not entitled to a copy of the estate summary.	<input type="checkbox"/>
Provide regular updates to beneficiaries on administration progress, information gathering and set expectations.	<input type="checkbox"/>
Communicate with residual beneficiaries regarding distribution process.	<input type="checkbox"/>

  

<b>Initial Steps to Safeguard Estate Assets</b>	
Ensure adequate insurance in place to protect assets. <b>Example:</b> Update homeowners insurance where the building becomes unoccupied.	<input type="checkbox"/>
Protect assets from loss, theft, destruction including: changing locks to home, mail redirection, dispose perishables, terminate regular services, take steps to protect business interest.	<input type="checkbox"/>
Notify banks and institutions where deceased held accounts.	<input type="checkbox"/>
Cancel credit cards and return cards to issuers.	<input type="checkbox"/>
Open estate account to deposit income and pay expenses of the estate.	<input type="checkbox"/>

  

<b>Value the Estate</b>	
Locate investments from personal files, advisor and safety deposit box.	<input type="checkbox"/>

Identify and record fair market value of assets at the date of death to: calculate probate, determinate insurance needs, establish deemed disposition value for decease's final personal tax return, establish list price to sell asset, calculate executor fees.	<input type="checkbox"/>
<b>Footnote 1- Methods to value estate assets</b>	
Information collecting by reviewing personal papers, safety deposit, contracts, tax returns, interview family, lawyer, accountant and financial advisors.	<input type="checkbox"/>
Obtain cost information of stock investments and real estate for income tax filing.	<input type="checkbox"/>
Investigate all debts owed by deceased on the date of death.	<input type="checkbox"/>
Contact deceased's employers (current and former) regarding pension plans, retirement benefits and death benefits.	<input type="checkbox"/>
Apply for and collect on life insurance policies.	<input type="checkbox"/>

<b>Administration of Estate</b>	
Review volatility of investments held in estate with advisor and recommend which assets to sell for cash requirements.	<input type="checkbox"/>
Establish and fund trusts created in the Will.	<input type="checkbox"/>
Contact Service Canada to cancel CPP and OAS monthly benefits. <b>Note:</b> the funeral home will often notify Service Canada with a copy of the death certificate as part of their own checklist; however, the executor must ensure this has been done.	<input type="checkbox"/>
Apply for Canada Pension Plan Death Benefit, CPP Survivor's pension. <b>Note:</b> the funeral home may make the application for you, or instruct you on how to apply as executor.	<input type="checkbox"/>
Contact CRA to discontinue GST credits, child tax benefits.	<input type="checkbox"/>
Complete documents to transfer employment, health, pension benefits to estate.	<input type="checkbox"/>
Initiate sale of assets required to be liquidated and transfer of titles for real property.	<input type="checkbox"/>

<b>Tax Filings</b>	
Obtain copy of last filed personal tax return by the deceased.	<input type="checkbox"/>
File all unfiled T1 personal tax returns including the final tax return reporting income from January 1 to the date of death. <b>Footnote 2</b>	<input type="checkbox"/>
Discuss with a tax professional the possibility of filing a rights and things returns for income paid or payable to the deceased after their date of death. <b>Footnote 2</b>	<input type="checkbox"/>
File the T3 Trust Income tax return for the estate (if required). <b>Footnote 3</b>	<input type="checkbox"/>
File the T3 Trust income tax return for any other trusts of the deceased including: existing joint partner or alter ego trusts or testamentary trusts created on death in the Will.	<input type="checkbox"/>
Review personal papers to determine if a foreign tax return is required to be filed. <b>If the deceased owned real property in a foreign jurisdiction</b> , foreign sources of income (such as pension), was domiciled in another country at death, or was a US Citizen or US green card holder.	<input type="checkbox"/>
Review CRA Notices of Assessment ("NOA") to ensure income tax returns were assessed as filed. An objection may be filed to dispute an assessment if made by the later of: 1 year from due date of the return and 90 days from the date on the Notice of Assessment.	<input type="checkbox"/>
Obtain Tax Clearance Certificate from Canada Revenue Agency once the Notice of Assessment from the last filed personal and trust tax returns are received, confirming all tax liabilities have been settled. <b>Footnote 4- Timeline for notices of assessment and receipt of the Tax Clearance Certificate</b>	<input type="checkbox"/>

<b>Final Administrative Duties and Distribution of Net Estate Assets</b>	
Pay all debts, settle legitimate claims prior to final distribution of assets, obtain receipts.	<input type="checkbox"/>
Return Social Insurance Card, passport, driver's license and health card, obtaining any appropriate funds.	<input type="checkbox"/>
Begin distributing assets as directed in the Will after paying debts and taxes. <b>Footnote 5- Liability on pre-maturely distributing assets.</b>	<input type="checkbox"/>

Distribute Specific Bequests as directed in the Will and obtain signed receipts on distribution.	<input type="checkbox"/>
Prepare reckoning of your expenses and compensation as executor.	<input type="checkbox"/>
Arrange final distribution of remaining assets, obtain receipts from beneficiaries. <b>Footnote 6</b>	<input type="checkbox"/>
Advise bank in writing to close the estate account once estate is settled and final income tax refunds are received and distributed to beneficiaries.	<input type="checkbox"/>
Prepare a final accounting to beneficiaries stating what assets deceased owned at death, expenses and debts paid, and how remaining assets were distributed including executor compensation.	<input type="checkbox"/>
Have each adult beneficiary approve the accounting and sign release form.	<input type="checkbox"/>
Advise beneficiaries to consult with a financial advisor and tax specialist regarding investment and taxation of their inheritance.	<input type="checkbox"/>

**Footnote 1-** Review closing prices from investment statements at date of death, hire an appraiser to value real estate, hire a business valuator to value the deceased's business.

**Footnote 2-** Both the final personal tax return (referred to as the "date of death" or "terminal" tax return) and optional rights and things returns are due April 30th of the year following death if the deceased's death occurred between January 1 and October 31. A death between November 1 to December 31, the due date is 6 months from the date of death. If a prior year tax return was unfiled because the deceased dies between January 1 and April 30th, the return must be filed within 6 months after the date of death.

**Footnote 3-** T3 Trust returns are filed to report income received by the estate after the date of death. Typical trust income includes the CPP death benefit (which cannot be reported on the terminal return), investment income, disposition of real estate and other income received after death. The due date of the T3 return is 90 days after the year-end of the trust. For estates, the executor may choose a year end for the first year up to and including the anniversary of the date of death.

**Footnote 4-** Timeline for CRA assessing the final personal tax return and trust tax return can vary from **2 months to 8 months** depending on the complexity of the tax return. On receipt of CRA's NOA, the application for Tax Clearance Certificate can be made. CRA's timeline for issuance of the Tax Clearance Certificate currently ranges from **5 months to 9 months**, depending on the complexity of the estate.

**Footnote 5-** The Tax Clearance Certificate protects an executor or administrator of the estate from personal liability. If an executor distributes assets prior to receiving a clearance certificate, they may be personally liable for taxes owing if there are not sufficient funds remaining to cover outstanding amounts due. The executor's liability is limited to amounts distributed without a clearance certificate so care should be taken when making distributions without the tax clearance certificate.

**Footnote 6-** The final distribution should not take place until the Tax Clearance Certificate is received. Your accountant can provide an estimate of holdback to permit an interim distribution before receipt of the Tax Clearance Certificate and final distribution is made.

**Executors Year:** In BC, the executor has 1 year to gather estate assets and settle the estate. Beneficiaries of the estate cannot compel the executor to make any distributions during this information administrative period. Typically estates are wound up between 12 months and 18 months from the date of death. Administrators of an estate where the deceased died intestate (without a Will) should expect a longer administration process, usually a minimum of 18 months given additional steps required to be granted administrator of the estate by the BC Supreme Court.