

With you, at a time of loss.

The passing of someone close to you can transform the world around you.

Your financial professional can help during this difficult time.

Understanding how hard it can be

Every culture has its own way of dealing with death; yet all acknowledge the power of grief, when even the simplest things can become very difficult.

Sorting through someone's life and legacy is not an easy matter. Your financial professional can assist with this responsibility should you require legal counsel or accounting services. Your financial professional can also provide guidance to help you in finding local professionals in the areas of estate settlement and litigation.

Tips to finding professional resources

Although the courts don't require you to retain professional counsel, the laws pertaining to estate administration and taxation are complex. So it's prudent to consider enlisting the help of professionals. Some useful tips to consider:

1. Ask a colleague or friend for a recommendation – this is a good place to start. If someone you know and trust has gone through a similar experience, he or she can provide candid feedback to help you find an experienced professional.
2. Call beforehand and take time to ask questions before you retain anyone's services. Ideally, you want to find a person or company that has experience with settling an estate.
3. Find out what is required from start to finish. Understanding the process can help you to prepare documentation and ensure that the estate is settled as efficiently as possible. Find out how many face-to-face meetings are required so that you can manage your time.
4. Don't hesitate to ask about fees. It's best to request a quote ahead of time. Most professionals will be able to provide a fee range or may even provide a firm quote if the estate is not overly complex. Ask what you can do on your own to help keep costs down.





Settling the estate

It's the executor's responsibility to act in the best interest of the deceased's estate, following the instructions set out in the will.

Your financial professional can help you find answers to the questions that executors typically face.

It can be an honour to be appointed executor; it's also a significant and often time-consuming responsibility. This guide can help provide you with the information you'll need to carry out your duties.

While you may have a personal interest in the estate, if you have not been appointed the executor, you will have to work with the named executor to obtain information on the deceased's assets. It's important to note that only the executor can provide beneficiaries with information about the estate, notwithstanding their relationship to the deceased.

To help with the initial task of securing the assets, your financial professional will meet with you to review your needs in detail and discuss options. For that meeting, certain documents will be required:

- Original or notarized copy of the death certificate or funeral director's certificate
- Notarized copy of the will (if available) to confirm the named executor(s)
- Two forms of personal identification, including one government-issued photo ID
- Copies of any account statements and/or statements from financial institutions
- Bills or invoices that need to be paid immediately
- List of issues/questions that you would like addressed

In Quebec, an alternative set of documentations is required:

- Original or notarized provincial death certificate
- Original last will and testament
- Identification of the liquidator of the estate
- Original or notarized copy of the research certificate from the Quebec Bar (if available)
- Original or notarized copy of the research certificate from the Chamber of Notaries (if available)



What happens to the deceased's accounts?

As soon as you provide notification of a client's death, access to the assets are limited to protect the estate. The death certificate is required by law to verify that access to these accounts should be restricted; however, funds in the accounts can still be used to pay funeral expenses and cover ongoing maintenance expenses such as mortgage payments and utility bills.

Following this step, an estate account is normally opened, which is used for ongoing estate activity. For example, expenses that arise from estate administration, such as legal and tax fees, will flow through this account.

Do I need to obtain probate?

One of the first questions that must be answered is whether the will requires probate. Probate is a court process that validates that the will was indeed the last signed will by the deceased. Third parties that hold assets of the deceased normally require the will to be probated in order to ensure that they do not release the assets to the wrong beneficiaries.

You may need to consult with legal counsel for assistance with applying for probate. The forms, process, and fees will vary depending on the province where the deceased was resident.

What do all the terms mean?

While you are in the process of administering the estate, as executor you may come across some of the following terms:

Beneficiary: the recipient of funds, property, or other benefits from a will or trust.

Codicil: an amendment to a will.

Executor: the person or trust company appointed or named to administer the deceased's estate. In Quebec, the term executor is referred to as a liquidator or an estate trustee.

Intestate: dying without a valid will.

Joint tenancy with right of survivorship: ownership of property by two or more people in which the survivor(s) automatically gain ownership of the deceased's interests.

Letters probate: a court document confirming that a will is recognized as valid. In Ontario, this is referred to as a certificate of appointment of estate trustee with a will.

Tenancy in common: ownership of property by two or more people in which each tenant's undivided interest is distributable at death to his/her heirs.

Testator/Testatrix: a man/woman who has made a will before death.

Testamentary trust: a trust established by the will of a deceased individual.

Trustee: the individual or trust company that holds legal title to property for the benefit of someone else.

When you are acting as the executor

The duties of an executor are both numerous and varied. To give you an overview, we have listed some of the key tasks:

Preliminary steps

- ❑ Notify family, friends, and acquaintances of the death.
- ❑ Obtain the death certificate and locate the will to determine whether there are any special funeral directions. Make the appropriate arrangements.
- ❑ Review bank and investment statements. Freeze accounts and determine if any action is required to manage assets or expenses.
- ❑ Probate the will, if required.

Administration

- ❑ Record all expenses that relate to the estate administration to ensure that all costs are reimbursed from the estate.
- ❑ Provide a copy of the will to beneficiaries and

others as required under provincial laws. Keep beneficiaries updated throughout the process.

- ❑ Close bank accounts and transfer balances to the estate account. If there are joint accounts with right of survivorship, arrange transfer to the surviving joint tenant.
- ❑ Pay final bills, redirect all mail, cancel subscriptions, memberships, and services.
- ❑ Arrange for safekeeping of any valuables and ensure that property insurance is kept up to date until the sale of the assets.
- ❑ Consider entitlements such as life insurance, Canada (or Quebec) Pension Plan Death Benefits, Survivor's Benefits and any company benefits.
- ❑ Obtain prior years' tax returns. Prepare and file the terminal T1 tax return and other special returns with Canada Revenue Agency and any other taxing authorities. Terminal returns must be filed by April 30 of the year following the year of death, or six months from the date of death if





the deceased passed away between October 1 and December 31.

- ❑ Make an inventory of assets/liabilities. Arrange for valuations of real estate, securities, personal property, or automobiles if required. Arrange for publication of a notice to creditors.
- ❑ Close the safety deposit box and collect the contents.

Distribution

- ❑ Request a clearance certificate from Canada Revenue Agency to permit distribution without personal liability. Upon receipt of a clearance certificate, distribute funds or deliver the assets.
- ❑ Complete documents to transfer assets from the name of deceased to the estate.
- ❑ Review the will and determine the distribution of assets. Consult with the beneficiaries regarding the distribution of specific items.
- ❑ If the Will provides for trusts, set up testamentary trusts and arrange for ongoing compliance with the rest of the terms of the trust (for example, payment of income).
- ❑ Distribute personal effects and obtain receipts.
- ❑ Retain sufficient funds as a reserve for income taxes and any outstanding liabilities.

- ❑ Calculate the executor's compensation. Executors are entitled to fair compensation for their time and effort. The amount of this compensation is subject to the direction of the court in most provinces.
- ❑ Arrange for the closing of the estate bank account.

What happens once the estate is settled?

After the estate is settled, the beneficiaries may look to you for advice and counsel. In fact, you may be a beneficiary of the estate in addition to being the executor. For example, there may be questions about many things:

- how best to invest the inheritance;
- what you can do to update your own estate plan, and;
- how to use all or part of the inheritance to leave a legacy, either in the name of the deceased or to a cause that is important to you.

Once the estate is settled, consider setting up a meeting with your financial professional to discuss your options and update your financial plan.

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