

Executors' Checklist for Estate Administration (12/11)

Estate administration is demanding and time-consuming. In addition to the paperwork, executors must cope with tax laws, inheritance laws, family property laws, court procedures and the demands of beneficiaries. This checklist has been prepared as a guide for the responsibilities and duties that are likely to fall on anyone acting as an executor.

Estate Name _____

Executor Mailing Address _____

Executors Names _____

Contact Email address _____ Telephone _____

	Executors Responsibilities	
	<u>Applicable</u>	<u>Completed</u>
A. Immediate Steps		
<input type="checkbox"/> Locate will and any accompanying memoranda and review important provisions.	_____	_____
<input type="checkbox"/> Determine special funeral directions if any.	_____	_____
<input type="checkbox"/> Assist in making funeral arrangements, if requested.	_____	_____
<input type="checkbox"/> Ascertain whereabouts of beneficiaries.	_____	_____
<input type="checkbox"/> Determine immediate family cash requirements.	_____	_____
<input type="checkbox"/> Obtain several copies of the funeral director's death certificate for later use.	_____	_____
<input type="checkbox"/> Look through important personal papers kept by the deceased at home or place of business.	_____	_____
<input type="checkbox"/> Arrange for safe custody of personal valuables and important documents of the deceased.	_____	_____
B. Immediate Follow Up Steps		
<input type="checkbox"/> Review the will to determine its major provisions.	_____	_____
<input type="checkbox"/> Review all financial records and statements.	_____	_____
<input type="checkbox"/> Notify the deceased's banker, lawyer and other professional advisors.	_____	_____
<input type="checkbox"/> If the deceased lived in a rental property, terminate the lease or arrange sublet.	_____	_____
<input type="checkbox"/> Transfer vehicle ownerships.	_____	_____
<input type="checkbox"/> Ask Canada Post to reroute mail.	_____	_____
<input type="checkbox"/> Complete or cancel outstanding broker's orders.	_____	_____
<input type="checkbox"/> Compassionate travel benefits may be available for immediate family members if applied for within 90 days of death and accompanied by a death certificate, boarding pass and copy of the ticket.	_____	_____

- Meet with family members and beneficiaries to discuss the provisions of the will (an on-going procedure).
- Verify short-term cash needs of family or beneficiaries.
- Confer with solicitor or trust company where necessary.
- Consider changing the locks on any residences if there are concerns about security.
- Investigate private and business interests, and take necessary protective measures.
- Collect all credit, debit and charge cards and destroy or store in a secure place.
- If deceased lived in rental property terminate lease or arrange to sublet.
- Cancel driver's license (1-800-387-3445), credit cards, magazine and newspaper subscriptions, cable television, club memberships, telephone, and request refunds if appropriate.

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C. Insurance

- Review adequacy of property and other insurance and change if necessary.
- Add your name to the house and car insurance and all other property insurance.
- Cancel health insurance coverage including OHIP coverage (OHIP 519-893-3966).
- Notify life insurance companies including employer plans and supply a copy of the death certificate and complete and submit claim forms.

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D. Pensions and Tax Benefits

- Determine benefits due under pension plans.
- Consider entitlement to and apply for Canada Pension Plan death Benefits, Survivor's Benefits and Orphan's Benefits and request application forms (1-800-277-9914).
- Apply for Civil Service, Union or Veteran's benefits, if applicable.
- Cancel Old Age Security cheques (1-800-277-9914).
- Cancel Child Tax Benefit (Revenue Canada 1-800-387-1193).
- Cancel GST cheques (1-800-959-1953).
- Check for and arrange rollover or transfer of RRSP/RRIF proceeds.
- Apply for proceeds of private pension plans or arrange continuance.
- Check with the deceased's employer for any money owing including death benefits.
- Obtain details of employee benefits: group insurance, stock options profit sharing, and outstanding salary.

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E. Beneficiary Notifications

- Send a copy of the Will to each beneficiary.
- Notify beneficiaries of any benefit to be received under the will.
- Notify charities of charitable bequests.

_____	_____
_____	_____
_____	_____

F. Property Management and Protection of Assets

- Close bank accounts and transfer balance to estate bank account.
- Prepare detailed inventory of assets.
- Invest surplus cash until monies are needed.

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_____	_____

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|--|-------|-------|
| <input type="checkbox"/> Arrange to take an inventory of the safety deposit box. | _____ | _____ |
| <input type="checkbox"/> List and value all household goods and furnishings. | _____ | _____ |
| <input type="checkbox"/> List and value all other personal property, including cars, boats, jewellery, etc. | _____ | _____ |
| <input type="checkbox"/> Arrange for inspection and valuation of all real estate. | _____ | _____ |
| <input type="checkbox"/> Ascertain property management is in place. | _____ | _____ |
| <input type="checkbox"/> Transfer ownership title to all registered property to estate. | _____ | _____ |
| <input type="checkbox"/> Obtain schedule of investment portfolios and arrange for a review of the portfolio and the need for any immediate action. | _____ | _____ |
| <input type="checkbox"/> Arrange comprehensive listing and valuation of deceased's household goods, furniture, objects of art, collections, jewellery, automobiles, and other personal effects if required. | _____ | _____ |
| <input type="checkbox"/> Locate and obtain title documents for real property, mortgages share certificates, bonds, debentures, and guaranteed investment certificates. | _____ | _____ |
| <input type="checkbox"/> Arrange valuations of real estate. | _____ | _____ |
| <input type="checkbox"/> Close bank accounts and transfer balance to estate bank account. | _____ | _____ |
| <input type="checkbox"/> Notify dividend and bond disbursing agents to change addresses of record. | _____ | _____ |
| <input type="checkbox"/> Consult with deceased's financial institutions holding cash and securities. | _____ | _____ |
| <input type="checkbox"/> Write to banks, trust companies, credit unions, stock brokerage firms and other financial institutions the deceased may have dealt with for information on possible accounts. | _____ | _____ |
| <input type="checkbox"/> Provide for supervision of vacant real estate. | _____ | _____ |
| <input type="checkbox"/> Investigate deceased's interest in other estates and trusts. | _____ | _____ |
| <input type="checkbox"/> Review portfolio of investments and provide continuous investment management of balance of estate investments, ensure adequate liquidity for payment of income tax and other liabilities. | _____ | _____ |

G. Liabilities

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|---|-------|-------|
| <input type="checkbox"/> Prepare detailed list of liabilities. | _____ | _____ |
| <input type="checkbox"/> Confirm outstanding balances, pay off and cancel credit cards. | _____ | _____ |
| <input type="checkbox"/> Consider advertising for creditors and make payment to valid claims. | _____ | _____ |
| <input type="checkbox"/> Settle all claims and debts. | _____ | _____ |
| <input type="checkbox"/> Check for other debts owed to the deceased. | _____ | _____ |
| <input type="checkbox"/> Check all on-going accounts such as charge accounts and utility bills. | _____ | _____ |
| <input type="checkbox"/> Review real estate holdings for any mortgages. | _____ | _____ |
| <input type="checkbox"/> Check with banks, trust companies and any other financial institutions the deceased may have dealt with for any loans. | _____ | _____ |
| <input type="checkbox"/> Discharge any bank or private loans, mortgages or business liabilities. | _____ | _____ |
| <input type="checkbox"/> Pay funeral expenses and all taxes payable, such as income tax or municipal taxes. | _____ | _____ |
| <input type="checkbox"/> Pay all legal and accounting fees and other expenses in administering the estate. | _____ | _____ |
| <input type="checkbox"/> Reimburse executors for reasonable out-of-pocket expenses and executor fees. | _____ | _____ |
| <input type="checkbox"/> Prepare cheques for payment of debts, legacies and interim distributions. | _____ | _____ |

H. Administration

- Ask estate solicitor to register probate on title to real estate if necessary. _____
- Retain and meet with estate solicitor to complete application for probate if required. _____
- Obtain several notarized copies of the will to allow transfer of assets after probate is granted. _____
- Report to beneficiaries on progress of administration and provide each beneficiary with a copy of the inventory of assets and liabilities. _____
- Close safety deposit box. _____
- Review and cancel club memberships, health insurance, subscriptions, credit cards etc. _____
- Report to beneficiaries on progress of estate administration. _____

I. Organization of Assets for Distribution

- Review with estate solicitor any time periods or restrictions on distribution of estate, e.g. family law or dependents relief applications. _____
- Complete declarations of transmission and powers of attorney required to transfer securities. _____
- If joint accounts, with right of survivorship, provide financial institution with death certificate and request transfer to surviving joint tenant. _____
- Review will and determine scheme of distribution of assets. _____
- Consult with beneficiaries regarding specie distribution (distribution in kind) where appropriate. _____

J. Realization and Distribution of Assets

- Initiate re-registration and transfer of securities or arrange for sale of securities if converting to cash. _____
- Deliver personal effects and obtain receipts following deceased's written instructions if they exist. _____
- Deliver securities and obtain receipts for distributions in kind. _____
- Deliver legacies and obtain receipts. _____
- If the will provides for outright distributions, obtain release for distributions, and transfer assets or funds to beneficiaries. _____
- Retain sufficient funds as a reserve for income taxes and any outstanding accounts pending tax and other clearances. _____
- Deliver personal possessions which have been bequeathed, and obtain receipts. _____
- Arrange for balance of household and personal goods to be sold if necessary. _____
- Pay cash legacies and other bequests. _____
- Make interim distribution of bulk of assets to beneficiaries. _____
- Make a final distribution of estate assets. _____

K. Executorship Responsibilities

- Prepare Accounts for passing or approval by beneficiaries. _____
- Ask estate solicitor to prepare executor releases. _____
- Calculate executor's compensation. _____
- Request solicitor's bill. _____
- Write to the beneficiaries with an accounting for the distribution of estate assets, all funds received and paid and request each beneficiary's approval. _____

- When beneficiaries approve accounts, confirm all releases received. _____
- If accounts are to be audited by the Court, ask estate solicitor to prepare the application and all necessary notices and to arrange an appointment. _____

L. Final Distributions and Report

- Arrange for closing of Estate bank account after confirming all cheques have cleared. _____
- Release the cash holdback following receipt of tax clearance certificates and satisfaction of all estate debts. _____
- Distribute remaining funds or deliver assets. _____
- Write to beneficiaries with a final report on all aspects of estate administration. _____

M. Executors Fees

- Provincial legislation outlines suggested executor fees. Actual fees may be higher or lower than the prescribed fees. The Ontario Trustee Act indicates that a trustee guardian or personal representative “is entitled to such fair and reasonable allowance for the care, pains and trouble, and the time expended in and about the estate, as may be allowed by a judge of the Superior Court of Justice.”
Trustee fees commonly accepted are as follows:
 - 2 ½ % of the total value of capital receipts of the Estate
 - 2 ½ % of the total capital disbursements of the Estate
 - 2 ½ % of the total revenue receipts of the Estate
 - 2 ½ % of the total of revenue disbursements of the Estate
 - Annual fee of 2/5 of 1% of the average annual market value of the capital of the Estate

Courts still require evidence to justify executor compensation including time dockets and other supporting information. In most cases it is preferable that executor fees be outlined in the will and these can then be paid without further approval.

INCOME TAX

N. Income Tax Compliance – Canada

- Obtain and review prior years’ tax returns. _____
- Prepare and file any unfiled tax return for previous years. _____
- Request tax clearance certificates for final return and estate return. _____
- Obtain Goods and Services tax clearances for businesses or rental properties. _____
- If there are non-resident beneficiaries, determine if a certificate of compliance (T2062) is required under section 116 of the Income Tax Act before making distributions to non residents. _____

O. Tax Compliance – Other Countries and Jurisdictions

- Prepare and file necessary income tax returns for assets in foreign countries. _____
- Prepare and file necessary estate tax returns for assets in foreign countries. _____
- If assets are held in other provinces or countries, confer with relevant jurisdictions. _____
- American citizens must file an estate tax return if their assets exceed \$60,000 even if no taxes are payable. _____

P. Income Tax – Planning

- If an RRSP value has decreased after the date of death, executors should take steps (file Form RC249 with CRA) to apply the loss against the RRSP income included on the final return. (*Tax Alert Issue 3-09 October 2009*)
- If a spouse is a beneficiary, review the tax options available for the transfer of funds to the surviving spouse.
- Analyze possible elections permitted under the federal Income Tax Act (Section E).
- Consider advantages of filing Rights and Things return (Section C).
- If there is more than one residence that qualifies as a principal residence, determine which one should be elected as principal residence to minimize taxes.
- Consider electing that distributions to spouse take place at fair market value for tax purposes if advantageous.

Q. Trusts

- If an estate trust return will be required determine the estate's fiscal year end which may be up to 365 days from the date of death.
- File income tax returns for the estate during the period of administration.
- If the Will provides for trusts, set up testamentary trusts and arrange for ongoing review of the investments, and ongoing compliance within the terms of the trust, e.g. payment of income, encroachment on capital, etc.
- Prepare and file T3 Trust Information Return if required.

INTESTATE IN ONTARIO

Survived by a Spouse

No children	Spouse receives 100%.
One child	Spouse receives first \$200,000. Greater than \$200,000 half the excess goes to spouse, half to child.
More than one child	Spouse receives first \$200,000 plus one-third of amount over \$200,000. Children share remaining two-thirds.

No Spouse

One child	Child receives 100%.
More than one child	Children share equally.
No children	Parents share equally.

No Spouse, No Children

No parents	Brothers and sister share equally. If no brothers or sisters are living, then all nieces and nephews share equally. If no distant family can be found, estate goes to the Ontario government.
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Under income tax law, a spouse includes a common-law spouse. Spouse under the Ontario Succession Law Reform Act refers only to married spouses. Where a person dies without leaving a will, or the will is determined to be invalid, or ineffective, the person is said to have died “intestate”.

A court for example, the Ontario Court (General Division) will determine whether a person died intestate, and if so, will appoint an administrator by granting a certificate of appointment of estate trustee without a will. This is conclusive evidence of the intestacy of the deceased and of the right of the administrator or estate trustee to deal with the property of the deceased. Generally, the courts look to the spouse, children, grandchildren, parents and brothers or sisters of the deceased to grant such certificate of appointment. However, the grant of the certificate of appointment is in the sole discretion of the Court and the Court may appoint a trust company where the next – of – kin of the deceased are unable or unwilling to accept the appointment.

The administrator or estate trustee, once appointed, is responsible for the collection, management, supervision and realization of the assets of the deceased, payment of the deceased’s debts and ultimately distributing assets to those persons entitled to inherit pursuant to the relevant provincial legislation.