



# Estate Guide

Has someone asked you to be their estate representative? Are you managing the settlement of an estate as an estate representative? We're here to support you through the estates journey at Simplii Financial.

## We're here to help

If someone has asked you to be their estate representative, this guide can help you get ready for your role. We want to offer our support during what can be a difficult time.

We understand that being an estate representative can be a demanding responsibility, and know the importance of having access to information that can help you navigate this complex journey.

This guide offers an overview of steps you will need to take and includes a helpful checklist of key tasks as estate representative.

# Table of Contents

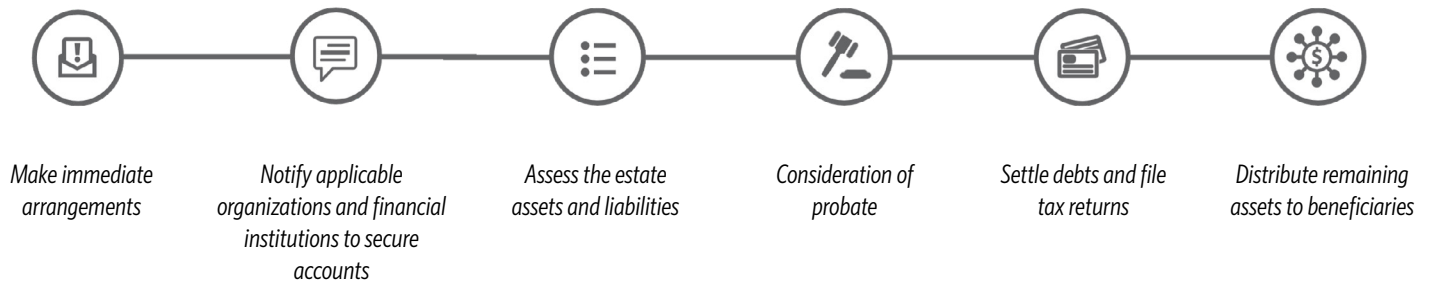
What to Expect	2
Planning Ahead	4
Your First Steps	5
Your Well-Being	7
Notifying Financial Institutions	8
Managing Financial Accounts	9
Settling Debts and Filing Taxes	10
Distributing Assets to Beneficiaries	11
Your Estate Representative Checklist	12
Glossary	17

This guide is provided for informational purposes only. It is not intended to provide legal, tax or investment advice. The information in the guide is current as of the time of printing and is subject to change at any time without notice. Estate laws may vary from province to province and may not apply to all issues uniformly. Please speak to a legal, tax and / or investment advisor for professional advice in the province in which the person who named you estate representative resides.

# What to Expect

What responsibilities you can expect as an estate representative for an estate.

## Estate settlement stages



## Responsibilities of an estate representative

- Protecting the estate assets, which includes notifying financial institutions and others of the death and canceling regular payments
- Carrying out the intentions of the deceased as detailed in the will or in accordance with the local estate laws
- Maintaining records of all estate-related financial transactions
- Settling all liabilities, debts, and taxes before distributing assets to beneficiaries
- Communicating with beneficiaries
- Managing investments, real estate, creditors' claims, personal effects and business interests
- Filing tax returns for the deceased and the estate

## What is an estate and estate settlement?

An 'estate' refers to all of the possessions a person leaves behind when he or she dies, including liquid investments, real property, vehicles, personal belongings and even intangible assets such as social media accounts. Estate settlement is the process of distributing the deceased's possessions according to the will or in accordance with the local estate laws, if there was no will. It also includes day-to-day management of all assets until they are delivered to the beneficiaries or are closed (e.g. maintenance of property and filing tax returns).

See the glossary for other terms and definitions.

## Estate representative

An 'estate representative' is the person named by the deceased in the will to administer an estate. This person may also be known as 'executor', 'estate trustee', 'liquidator' or otherwise depending on the province. Sometimes, multiple estate representatives may be named in the will.

## Beneficiary

A 'beneficiary' is the term used to describe a person or entity that receives assets from an estate under the will or an intestacy, or other assets (e.g. insurance policies) by way of a beneficiary designation. This person may also be known as 'heir', 'legatee' or 'successor'.

# Planning Ahead

If there's an opportunity, consider having a conversation with the person who is naming you as estate representative. Advanced preparation may simplify your estate representative process and help to carry out final wishes.

## What to do ahead of time

If a friend or family member has notified you that you will be an estate representative – and you're involved in the estate planning discussions – you may want to consider reviewing the will together. This step may provide clarity for intentions regarding distributing financial and physical assets and may help avoid confusion down the road.

In that conversation, you may want to consider discussing the following details:

- Preferences for funeral arrangements
- The location of the will, tax returns and other important documents
- Banks and other institutions (e.g. holding companies or operating businesses) where the individual may have financial holdings
- Ongoing payment arrangements (e.g. car payments, utility bills, subscriptions) and outstanding debts
- Insurance policies that may be used to pay off debts, support family or for charitable donations
- Social media sites and other online accounts that would form their digital estate
- Contact information for professionals they are working with – lawyers, accountants, financial advisors, etc.

It may also be useful to walk through this guide together so that you have an idea of what you will need to do, and where you will need to start when you take on your role.

# Your First Steps

While your new responsibilities may be numerous and sometimes complex, this guide can help you get started.

When someone close to you passes away, it's an emotional and difficult experience. When you're named estate representative, you have the added weight of handling practical matters – some of which need to be taken care of right away. For example, making funeral arrangements, locating the will and getting in touch with the bank are some of the initial steps you will need to take.

While a more detailed list of tasks can be found in the 'Estate Representative Checklist', you may want to consider the following when taking your first steps:

## Funeral arrangements and expenses

Most funeral arrangements are considered estate-related expenses. Often these expenses may be paid for from the deceased person's bank account if you have a funeral bill or invoice.

## Proof of death

The Death Certificate or Funeral Director's Statement of Death is typically provided by the funeral home or provincial authorities. Original copies are required by many organizations (e.g. financial institutions, government agencies, etc.), so it's recommended to get multiple copies.

## Locating the will

Following the person's passing, locating the original will is a key early step. If the location is unknown, consider common places wills are kept, such as safety deposit boxes, lawyer offices, or home safes.

## If a will cannot be found

If you have not yet located the will, you may consider contacting financial institutions and insurance companies to ask what tasks can be completed without a will.

## If there is no will

If there is no will or the will does not name an estate representative, or the named estate representative is unwilling or unable to act, an administrator may have to be appointed to settle the estate.

When a person dies without a will, he or she is considered to have died 'intestate', resulting in the provincial law determining how the assets are divided. The exact distribution of assets varies between provinces, though typically, assets first go to the spouse and children, passing to other family members if the deceased did not have a spouse or children at the time of passing.

## If you're not able to be estate representative

Even if you're named in the will as estate representative, you're not required to take on the role. As long as you haven't already started acting on the estate, you can renounce your role. In each case, the alternate estate representative or a court-appointed administrator can take on the role. Estate representatives sometimes renounce or resign their role if they are ill, elderly, or living outside the province or country and consequently not willing or able to act. If you wish to renounce, we recommend you seek legal advice.

## Seeking legal advice

You can obtain a list of lawyers experienced in estate administration from the law society, bar association or notary association in your province or territory. You may also get referrals from family and friends.

## Estate and non-estate assets

Generally, the assets a person owned fall into two categories upon death: estate assets and non-estate assets. Assets that are registered solely in the deceased's name are considered part of the estate and are usually covered by the terms of the will.

Generally, any assets that are registered joint with right of survivorship, insurance policies, and registered assets

(e.g. RRSP, TFSA, RRIF, etc.) with designated beneficiaries are considered non-estate assets, and are typically dealt with separately from the will. However, the will may still be relevant for non-estate assets, such as beneficiary designation and tax purposes.

# Your Well-Being

When you lose someone close to you, grief can be overwhelming and debilitating, and can affect your ability to manage the complex tasks involved in settling an estate as an estate representative. Taking care of your own well-being is an important priority at this time.

## Tips for managing grief

- Reach out and connect with supporting and caring people, whether those are friends, neighbours, or local support groups
- Recognize the major loss you've just experienced and how your life has changed. Give yourself the time and space you need to find stability again
- Seek help when you need it, whether that's with professionals to relieve your workload, or health care providers to help you manage and process your grief
- Grief commonly results in disrupted sleep, a loss of appetite, and a lack of interest in everyday tasks. Be mindful of your health and daily habits and stay diligent in getting adequate sleep, nutritious food, and regular exercise. If you feel your health has declined, consult a physician
- Research or talk to your physician to inquire about grief support programs in your area, or contact your local Canadian Mental Health Association division

# Notifying Financial Institutions

Once you're ready, it's important to promptly notify financial institutions of death, to reduce potential delays or complications later.

## Notify Simplii Financial and other applicable financial institutions of death

You'll need to provide notification of death to each financial institution that holds any of the deceased's assets. Give us a call at 1-877-433-1907 (Monday to Friday 9AM to 6PM ET) to notify us.

### What you will need to provide:

- Original or notarial copy of Proof of Death (depending on your province or territory, this may include an Act of Death, a Death Certificate, a Funeral Director's Statement of Death, a Physician's Statement of Death, or a Declaratory Judgment of Death by a court)
- Original or notarial copy of the last will
- Any estate-related bills or invoices (e.g. utilities related to estate properties, funeral expenses, etc.)

### What is probate?

"Probate" refers to the process of obtaining the court's confirmation of the validity of a will and of the estate representative's authority to administer the estate. Generally, financial institutions require wills to be probated before releasing assets to the estate representative. Probate protects you, the estate representative. If a claim is made later that the will is invalid, without probate, you may have to pay out of pocket for assets that you have distributed. If you have probate, it protects you against claims under a competing will.

The purpose of probate is to identify the testator and confirm that the will is valid in its form.

### How do you apply for probate?

We recommend that you consult your legal advisor. They can advise you on your responsibilities and powers as an estate representative and what steps you should take to properly administer the estate and protect yourself from liability.

Generally speaking, the probate application must be filed in the jurisdiction where the deceased lived. The probate process varies for each province and territory. Typical items that may be requested include:

The deceased person's full legal name, address, date of birth, place of death, former occupation, etc.

- The original will, with an affidavit from one of the witnesses
- Proof of Death
- A sworn affidavit from yourself as estate representative if applicable
- Information about the beneficiaries, such as full legal name, address, age and share of the estate
- An inventory of the deceased person's assets, establishing the value of the estate, available from the financial institutions and through appraisals
- Payment by the estate of the probate fees/ estate administration tax

### What are probate fees and how are they calculated?

When a will is probated, the estate is generally required to pay fees. The calculation of probate fees varies from province to province.



# Managing Financial Accounts

As estate representative, you're required to manage all financial accounts throughout the estate settlement. Assets will first be used to pay for debts and liabilities, leaving remaining assets to be distributed to beneficiaries.

## Building an inventory and valuation of assets and liabilities

As part of managing the estate, the estate representative must calculate the value of the estate – accounting for all assets and liabilities. In addition to Simplii Financial and other financial institutions, consider contacting the following entities to identify estate assets and liabilities:

- Canada Pension Plan, if death benefit is applicable
- Life insurance companies regarding insurance payments
- Employers (current and or former) regarding pension plans, retiree benefits, and death benefits
- Credit card companies or lenders, regarding outstanding balances, accrued interest, and if liabilities were insured

## Other questions to consider

Was the deceased a sole proprietor or owner / manager of a business?

- Ensure documents and physical assets related to the business are in a secure place
- Discuss with the bank the requirements to continue to operate the business' accounts
- Seek legal and tax advice regarding the transition of the business to the beneficiaries or the wind up/sale of the business

Was the deceased an estate representative involved with another estate settlement?

- Notify any alternate estate representative named in that will and consult a lawyer to determine if you have any responsibilities in connection with the other estate

## Did the deceased have joint accounts?

- Joint accounts may not fall to the estate. Right of survivorship may apply, where the account would fall directly to the surviving account holder. If the joint account has a credit structure, such as overdraft protection or a mortgage, the surviving account holder may have to reapply. In some cases, a grace period may be available

Was the deceased the sole owner of real property, such as land and buildings?

- Ensure that the property is insured and maintained (utilities are kept up, lawns are mowed, etc.) adequately throughout the duration of the settlement
- If intending to sell or rent the property, consult a lawyer

# Settling Debts and Filing Tax Returns

We recommend seeking the assistance of an accountant or tax specialist for filing taxes.

## What's involved?

The estate settlement process requires the estate representative to file income tax returns, including:

- The final income tax return for the deceased for the period from January 1st of the year of death to the date of death
- An income tax return for each year the estate existed before it was settled
- A final return if the estate lasted more than a year

## Settling Debts

Settling debts in the estate is required prior to distributing assets to beneficiaries. Be sure to retain receipts for all debts paid and keep good records and documentation of all transactions.

## Canada Revenue Agency Clearance Certificate

Once taxes have been filed, the Canada Revenue Agency (CRA) will issue a Notice of Assessment for each return. Upon agreeing with the notices issued, you can apply for both:

- Clearance Certificate to the date of death, for the deceased
- Clearance Certificate to the date of the final distribution, for the estate

In Ontario, if you obtained probate (Certificate of Appointment of Estate Trustee), you must also file an estate administration tax return. Consult with your legal advisor.

## Varying timelines for the deceased's final tax return

Depending on when the death occurred and how it aligns with tax season, the opportunity for filing the deceased's final tax return will vary. Please contact an accountant or tax specialist for more details on the appropriate timeline for filing the final tax return.

# Distributing Assets to Beneficiaries

After debts and taxes have been paid, and any claims against the estate have been satisfied, assets are ready for distribution to beneficiaries.

## How do I distribute assets to beneficiaries?

The distribution must be made in accordance with the terms set out in the will and/or local estate laws, ensuring that the amount and form of payment fully satisfies each beneficiary's interest in the estate. Special care must be taken if any beneficiary is a non-resident, is a minor or has a guardian or other administrator of property managing his or her finances due to a disability.

## Required communication with beneficiaries

Communicating regularly with beneficiaries can be useful, to provide updates on the settlement process and to set expectations. In some cases, estate representatives prefer to communicate with beneficiaries only when necessary.

## What are beneficiaries entitled to?

As part of the estate representative's duties, beneficiaries are entitled to a full accounting of the estate settlement. The transaction history of an estate account, accompanied by a listing of the estate assets as at date of death will usually suffice. Beneficiaries, generally, do not need to be consulted in regards to decisions related to the estate settlement, as the estate representative has full decision-making authority, but any stipulations stated in the will must be followed.

Consult with your lawyer on what is required and reasonable for the estate concerning beneficiary entitlement and communication.

## Retain receipts from distributed assets

It's important to maintain accurate records throughout the estate settlement.

## Estate representative compensation

As estate representative, you may be entitled to an estate representative's fee for your work, payable by the estate. The amount of estate representative's compensation may vary from province to province or may be set out in the will. Seek legal and tax advice prior to making any claims for estate representative's fees.

## Closing the estate account, if applicable

Once you have paid off all outstanding debts, completed all tax requirements, and distributed funds to the beneficiaries based on the will, you're ready for your final steps. You will need to close any estate accounts that were opened and assemble all receipts and records received throughout the settlement process.

# Your Estate Representative Checklist

This checklist walks you through important information and general tasks that you may consider as you settle the estate.

## First 10 days following death

- Work with deceased's loved ones to arrange funeral
- Obtain multiple copies of original of proof of death
- Locate the will, possibly in safety deposit box or with a lawyer or notary
- Review will and consult with a lawyer or notary regarding probate requirements
- Gather information regarding financial accounts, investments, life insurance, and debts
- Notify financial institutions, creditors, and insurance providers of death
- Arrange for immediate financial needs of the family
- Arrange for payment of urgent estate expenses and bills, where possible
- Begin claims on life insurance policies
- Communicate with beneficiaries, set expectations
- Contact Canada Revenue Agency (CRA) and cancel GST/PST credits
- Contact Service Canada; cancel Canada Pension Plan ("CPP") and Old Age Security, apply for applicable benefits (e.g. Death Benefit, Survivor Pension Benefits, Child Benefit, Guaranteed Income Supplement, Allowance for the Survivor, etc.)
- Apply for applicable survivor benefits (e.g. CPP Survivor's Pension Benefits, Child Benefit, Guaranteed Income Supplement, Employer Benefits, Veteran's Affairs, etc.)
- Contact current and former employers, if applicable; notify them of death and apply for applicable benefits (e.g. Death Benefits, Survivor Benefits, Retiree Benefits, Veteran Affairs, etc.)
- Arrange for support of dependents and care of pets
- Secure any real estate, household goods and personal effects
- Contact Canada Post, redirect mail
- Delete social network accounts or set to 'in memoriam'

## Days 10–30

- If loans are insured, complete applicable forms
- Obtain copy of previous years' tax returns
- Cancel memberships/subscriptions (e.g. newspapers, internet, clubs)
- Arrange for safekeeping of valuables
- If available, document current market value and original purchase price of investments for taxation purposes
- Prepare listing of safety deposit box contents
- Cancel deceased's lease or arrange sublet
- Suggest to beneficiaries to contact an accountant or tax specialist regarding tax implications/possibilities of receiving funds from registered investments by way of beneficiary designation or indirectly through the estate
- Arrange adequate insurance for estate assets If required, publish notice to creditors
- Supply required documents to court and pay probate taxes to provincial government, if applicable
- Settle debts owed with estate funds, if possible
- Locate original investment certificates, stocks, bonds, property deeds, etc.
- Pay any income taxes owing from previous years that were overdue at the date of death
- Remind joint-credit account holders that they may need to reapply for credit as an individual
- Prepare an inventory of the property, if required under the local estate laws, or initial listing of all assets/liabilities/expenses, share with beneficiaries

## Days 30–60

- If loans are insured, complete applicable forms
- Obtain copy of previous years' tax returns
- Cancel memberships/subscriptions (e.g. newspapers, internet, clubs)
- Arrange for safekeeping of valuables
- If available, document current market value and original purchase price of investments for taxation purposes
- Prepare listing of safety deposit box contents
- Cancel deceased's lease or arrange sublet
- Suggest to beneficiaries to contact an accountant or tax specialist regarding tax implications/possibilities of receiving funds from registered investments by way of beneficiary designation or indirectly through the estate
- Arrange adequate insurance for estate assets
- If required, publish notice to creditors
- Supply required documents to court and pay probate taxes to provincial government, if applicable
- Settle debts owed with estate funds, if possible
- Locate original investment certificates, stocks, bonds, property deeds, etc.
- Pay any income taxes owing from previous years that were overdue at the date of death
- Remind joint-credit account holders that they may need to reapply for credit as an individual
- Prepare an inventory of the property, if required under the local estate laws, or initial listing of all assets/liabilities/expenses, share with beneficiaries

## Days 30–60

- Obtain probate judgement, if applicable
- Settle legitimate claims prior to distribution of assets
- Gather safety deposit box contents and close safety deposit box
- Initiate sale/consolidation of assets and transfer of titles
- Safeguard surplus cash until estate is finalized
- Collect all receipts for payments and transfers

## Days 60–90 and onwards

- File any outstanding returns for previous tax years
- Prepare and file tax returns, international taxes, if applicable
- Seek tax advice regarding deceased's business, if applicable
- Distribute personal belongings and legacies, as outlined in will
- Oversee establishment of any trusts outlined in will
- Apply for Final Clearance Certificate from CRA once notice of assessment is received, confirm any tax liabilities have been settled
- Prepare statement of estate representative's compensation, if applicable
- Once tax clearance certificate and, if applicable, certificate authorizing the distribution of the estate's property are received, arrange for final distribution of all assets
- Distribute residue of the estate to beneficiaries as outlined in will and collect receipts for all
- Prepare final report/account of all estate transactions

# Financial Inventory

List all bank and investment accounts and corresponding financial institutions. Note any automatic payments and any details regarding who has access to the account.

Name	Organization	Contact information

# Contacts

Include the name, organization, and contact information for any professionals involved in planning the estate or preparing settlement-related materials.

Name	Organization	Contact information





# Glossary

**Administrator.** In the common-law provinces and territories, a person appointed by the court to administer the estate, in scenarios where there is no named or willing estate representative.

**Asset.** Any property of value belonging to a person.

**Beneficiary.** The person receiving estate assets under the will or on intestacy (estate assets with no will). It may also refer to designated beneficiaries on RRSPs, RRIFs, TFSAs, insurance policies and pension plans.

**Bequest.** The act of leaving in the will a specific gift to a person or organization.

**Codicil.** A document that amends or modifies a will, as long as it meets the formal requirements.

**Dependant.** An individual that was reliant on support from the deceased person at the time of death and whom the deceased was legally obligated to provide support to. This varies by province and may include a spouse, common-law partner, child, or parent.

**Estate.** An individual's assets and liabilities at the time of death that passes through their will or in accordance with the intestacy laws. It may include their bank accounts, investments, real properties, vehicles, personal affects.

**Estate Representative.** A person named in a will, to administer an estate. This person may also be known as 'estate trustee', 'executor', 'testamentary estate representative', 'liquidator' or otherwise depending on the province. Where multiple people are named, they are considered 'co-estate representatives'.

**Intestate.** Describes a person who dies without a will.

**Joint Account with Right-of-Survivorship.** Account that is owned by multiple people, in which the surviving account holder(s) own(s) the whole account.

**Letters of Probate.** The document issued by the court, validating the will as the Last Will and Testament and verifying authority of the estate representative to administer the estate. Specific terminology varies among provinces.

**Liability.** Any debt or financial obligation owed to creditors.

**Probate.** The court process to determine the validity of a will and, as applicable, verify the estate representative's authority to administer the estate and distribute assets.

**Proof of Death.** Depending on your province or territory, this may include the original, certified true copy, or notarized copy of an Act of Death, Death Certificate, Funeral Director's Statement of Death, Physician's Statement of Death, or Declaratory Judgment of Death.

**Residue of Estate.** Remaining assets of an estate after all debts, expenses, taxes, and specific bequests have been distributed. The residue of the estate is then distributed to beneficiaries entitled to it as set out in the will or on intestacy.

**Testator.** A person who has made a valid will.

**Will.** A document that meets the legal requirements and that sets out a person's intentions and directions with respect to the disposal of his or her property after death, and which may appoint one or more persons as the estate representative to manage the estate until its final distribution.