

Wealth Management Planning



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Two Things Should Always be Left to Professionals: Moving and Estate Executorship

Following up on last month's article (found [here](#), if you missed it) in our Wealth Planning Series on the importance of establishing an estate plan, this month, we provide the importance of understanding the duties of an estate executor. Choosing your executor or accepting the responsibility is a significant obligation that deserves careful consideration. An executor should understand time commitments, responsibilities, and capabilities required to fulfill the role effectively to avoid delay, dispute, or legal action.

Four main estate administration duties of an executor:

- **Apply for probate.**
- **Inventory of estate assets and liabilities.**
- **Pay outstanding debts and taxes.**
- **Provide ongoing account statements and manage the distribution of assets to the beneficiaries.**

Applying for Probate

The preliminary steps for an executor include:

1. Locate the Will.
2. Obtain multiple original copies of the death certificate.
3. Communicate with beneficiaries and set expectations for the distribution process.

Probate is the legal process that confirms that a Will and its executor are valid. The fee for probate ranges by province. In Ontario, for example, the probate fee is 1.5% of assets over \$50,000. Assets of the estate can only be distributed once probate has been approved and paid.

Inventory Estate Assets and Liabilities

An estate can become increasingly complex if an estate has assets and/or liabilities at many institutions, foreign real estate, illiquid holdings, and diverse asset classes (crypto, wine,

artwork, farm animals, fine cars, intangible assets, etc.). A comprehensive list of accounts, holdings, locations, and contacts can make an executor's job much easier. A Wealth Management Plan is a great example of seeing your full financial picture. It is also good to be aware of digital assets, online accounts, social media, and associated passwords. There are a growing number of online platforms that can help simplify this process. Please reach out to us for assistance in locating these digital resources.

Pay Outstanding Debts and Taxes

After confirming the estate's balance sheet, the executor must pay off any outstanding debts and taxes owed using the estate's assets. The final tax return for the last year of the individual includes all income up to and including the date of death. It must be filed by April 30 of the following year if the death occurred before Oct 31; otherwise, it is due 6 months after the date of death. Once final taxes are complete there will be a Certificate of Clearance issued, which is required before distributions to beneficiaries are processed.

Asset Distribution to Beneficiaries

After probate, debts, and taxes have been paid, assets can be distributed according to the Will. This could also include specific requests for personal belongings, such as household and sentimental items (a process sometimes fraught with emotional sibling conflicts). Lastly, a final accounting of all assets, liabilities, and expenses associated with the distribution must be prepared, and each beneficiary agrees before distribution to avoid future disputes.

If you've ever been an executor, you know the significant obligations and legal responsibilities of administering an estate. If you're considering naming an executor or have been asked to be an executor, Thornmark can help navigate this difficult topic and, if desirable, connect you with estate professionals that can help ease the burden.

We look forward to helping you achieve more with your planning and investments. Please reach out to Thornmark at:

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