

Financial Insights

from Quinn+Cardy Wealth Management
of BMO Nesbitt Burns

The Role of the Executor: A Large One

Have you been named as an executor/estate representative/liquidator/estate trustee of someone's estate? If so, you have been entrusted with a very important role.

Most people are honoured to be named as executor, as it signifies respect and trust in their abilities. However, many people don't realize just how much responsibility is involved. As such, here are a few things to keep in mind:

It is time consuming. Settling an estate generally takes about 18 months on average, but some estates may take several years to settle depending on complexity. The scope of an executor's duties may be wide, including arranging the funeral, finding, itemizing or even managing the estate's assets, applying for probate (in provinces where applicable), calling financial institutions to notify them of the death, filing income tax returns, liquidating or distributing assets as directed by the Will, and more. The role may also involve visits to various financial institutions, as well as meetings with accountants, lawyers and perhaps even creditors and beneficiaries.

There are legal implications. As an executor, you may be held personally liable for any losses caused or errors made as you settle the estate. As an example, if the estate's assets were distributed prior to the estate's taxes being paid, the executor could be held personally liable for the balance of taxes due.

You may be required to manage conflict. Even within the most harmonious of families, conflicts can emerge as an estate is settled. Often there are conflicts between executors and beneficiaries. Decisions will need to be made and the involved parties may not always agree, even when the executor acts without bias.



Your place of residence may have consequences. There may be complications to the estate if you, as executor, and the estate reside in different jurisdictions. For example, if you were appointed as the executor of the estate of a person while living in Canada, but you decided to become a non-resident of Canada, the estate may also be considered a non-resident of Canada. This could trigger negative tax consequences. Executors residing in a different province than the jurisdiction of the estate may also face challenges such as being required to post an estate administration bond. Even if you do live in the same province, but are located in a different city, you may be required to travel distances to meet with financial institutions or settle assets.

Seek Advice

If you have been appointed as an executor and want to learn more, or if you would like an introduction to an estate planning specialist to discuss your situation, please get in touch.



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