

Top 10 reasons to consider a corporate executor

Choosing the right Executor is a very important step in the estate planning process.

The Executor must deal with family members during a period of grief and cope with conflicts that may arise among beneficiaries during the administration of an estate. The Executor's actions are subject to scrutiny not only by beneficiaries, but also by tax authorities, creditors and potentially the courts.

The demands of being an Executor, along with the potential for personal liability, can be overwhelming. Depending on your circumstances and the complexity of your estate, you may want to use the services of a Corporate Executor.

Corporate Executor services are generally offered by trust companies, where professionals within the organizations act on your behalf to perform the duties of Executor. By designating a team of experienced professionals, versus relying solely on one person, you can be assured there will always be qualified individuals available to administer your estate in a timely and considerate manner. When deciding whether a Corporate Executor makes sense for your situation, consider the following:

1. Executor's age

What is the age of your Executor? If your chosen Executor is of the same generation as you, do you have an alternate in case your Executor predeceases you or becomes incapacitated and is unable to fulfill his/her duties? A Corporate Executor will be available to act at the time of your death and, if required, many years into the future.

2. Location

Does your Executor live in close proximity to you? It can be difficult for an Executor to settle an estate remotely – and extremely problematic if your Executor lives outside Canada.

A Corporate Executor who is located in a city close by will be able to efficiently settle your estate. And if at some point in the future you relocate, perhaps to another province, a Corporate Executor has the resources to ensure the smooth settlement of your estate.

3. Knowledge

Does your Executor have the required knowledge to make effective decisions? A Corporate Executor is knowledgeable and competent in dealing with matters related to estate and trust law, other legal issues, taxation, accounting, investments and real estate.

4. Time commitment

Acting as an Executor requires a significant investment of time. Your Executor's family or career obligations may impact his/her ability to deal with your estate. A Corporate Executor is dedicated to ensuring the smooth and timely settlement of your estate.

5. Liability

Executors can be held personally liable for decisions and errors made in settling an estate. Is your Executor aware of, and comfortable with, accepting this responsibility? Corporate Executors are fully aware of their obligations and willing to accept the liability.

6. Disputes

Is there the potential for disputes within your family or among other beneficiaries? A Corporate Executor offers an independent, non-biased and professional approach when dealing with family members and beneficiaries.

7. Ongoing trusts

Does your estate name beneficiaries requiring Trust arrangements? A Corporate Executor can act as Trustee to oversee the Trust accounts until the beneficiaries reach the age at which funds are to be distributed. A Corporate Executor is also able to provide ongoing support for long-term Trusts, such as a Trust that is set up to benefit a person with a disability.

8. Location of assets and beneficiaries

There will be an added layer of complexity when your beneficiaries and/or assets are located outside your province or country. A Corporate Executor has the resources to locate your beneficiaries and deal with the distribution of foreign assets.

9. Complexity of assets

Estates that include a business, partnership, complex investments or commercial real estate, require specialized support. A Corporate Executor has the experience required to wind up or dispose of these types of assets in a tax efficient manner.

10. Peace of mind

Appointing a Corporate Executor provides you with peace of mind knowing that your estate will be settled efficiently and responsibly by an experienced team of professionals.



Connect with us

www.hassanfox.com



HassanFox
Wealth Management

BMO Financial Group provides this publication to clients for informational purposes only. The information herein reflects information available at the date hereof. It is based on sources that we believe to be reliable, but is not guaranteed by us, may be incomplete, or may change without notice.

The comments included in the publication are not intended to be a definitive analysis of tax law. The comments contained herein are general in nature and professional advice regarding an individual's particular tax position should be obtained in respect of any person's specific circumstances.

® "Nesbitt Burns" is a registered trademark of BMO Nesbitt Burns Inc. BMO Nesbitt Burns Inc. is a wholly owned subsidiary of Bank of Montreal. If you are already a client of BMO Nesbitt Burns, please contact your investment advisor for more information.

BMO Nesbitt Burns Inc. is a Member – Canadian Investor Protection Fund. Member of the Investment Industry Regulatory Organization of Canada.

BMO Private Banking is part of BMO Wealth Management. Banking services are offered through Bank of Montreal. Investment management services are offered through BMO Private Investment Counsel Inc., an indirect subsidiary of Bank of Montreal. Estate, trust, planning and custodial services are offered through BMO Trust Company, a wholly owned subsidiary of Bank of Montreal. BMO Wealth Management is a brand name that refers to Bank of Montreal and certain of its affiliates in providing wealth management products and services.

All rights are reserved. No part of this report may be reproduced in any form, or referred to in any other publication without the express written permission of BMO Financial Group.

*BMO financial professional refers to Financial Planners, Investment and Retirement Planning that are representatives of BMO Investments Inc., a financial services firm and separate legal entity from Bank of Montreal.

TM® Trademarks of Bank of Montreal, used under license.