

# PERSONAL REPRESENTATIVE ESTATE GUIDE

June 2024



# **ATB WEALTH IS HERE TO SUPPORT YOU**

Losing someone is never easy and dealing with the financials and administration of an estate can feel overwhelming, especially when grieving the loss of a loved one. We want to make sure this process is as simple as possible, so you can spend more time with those close to you during a difficult time.

Being trusted as a personal representative and helping others to remember someone's life is an honour. There might be some duties you're unfamiliar with, but ATB is here to help you through this hard time and what can feel like a complicated task. We are here to listen to the challenges you are facing and provide you with guidance and useful information on what happens next. Understanding the process is very important, and ATB wants to minimize your stress by making sure this process is as easy as possible.

While this guide may help you at various points during the settling of an estate, this guide is not in any way intended to be legal, accounting, investment, or tax advice. You are urged to consult legal, accounting, and/or investment advisors regarding any specific questions that you may have about the issues raised in this guide.



# TABLE OF CONTENTS

<b>UNDERSTANDING YOUR ROLE AS A PERSONAL REPRESENTATIVE</b>	<b>1</b>
What is a personal representative?	2
<b>OUR PROMISE TO YOU</b>	<b>3</b>
What can ATB do for you?	4
Who should I contact?	4
<b>STEP-BY-STEP GUIDE TO SETTLING AN ESTATE</b>	<b>5</b>
Phase 1	7
Phase 2	9
Phase 3	11
Phase 4	13
Phase 5	14
<b>ATB IS HERE TO HELP</b>	<b>15</b>
ATB Wealth contact sheet	16
<b>PERSONAL REPRESENTATIVE CHECKLIST</b>	<b>17</b>
Phase 1: Make arrangements and gather information	18
Phase 2: Identify all assets and liabilities	19
Phase 4: File tax return(s) and pay outstanding debts	20
Phase 5: Finalize the estate	20



# UNDERSTANDING YOUR ROLE AS A PERSONAL REPRESENTATIVE

Serving as the personal representative is an honour but can also be an overwhelming experience. Being prepared can help this experience go as smoothly as possible. We hope this guide will help you understand your role and the responsibilities that come with it.

# WHAT IS A PERSONAL REPRESENTATIVE?

The personal representative is the person or persons who have the legal authority and responsibility to administer an estate after someone has passed away. If someone has chosen you as their personal representative, it is because they trust you and have confidence that you can take care of these important tasks now that they're gone.

The personal representative is sometimes known by other names depending on the circumstances. While this may be confusing to some, if the deceased had a will, the party administering the estate may also be referred to as an executor or an administrator if the deceased died without a will. Regardless, the duties associated with administering an estate are the same regardless of whether or not the deceased had a will, including to identify estate assets and liabilities, settle all matters and debts of the deceased, and distribute and account for all the assets of the estate. You'll learn more about the specifics of these duties further on in this document.

A personal representative is responsible for the administration of the estate. Because of their accountability, ATB will only be able to take instructions from the personal representative. ATB may also ask that the personal representative obtain a Grant of Probate if the account holder died with a valid will, or Letters of Administration if the account holder died without a will. Each of these documents are granted by the court and represent the legal authority of the personal representative to administer the estate, including closing accounts and distributing funds. Until either the Grant of Probate or Letters of Administration are issued, ATB will work with the estate to pay recurring and immediate expenses, such as utility bills, funeral expenses and taxes payable.

Remember that every estate is different and your specific duties as personal representative mean performing some, all, or more of the tasks described in this guide. It is always a good idea to get advice from an estate lawyer and / or accountant if you have any questions or concerns. To better understand your duties, obligations, and potential liability as a personal representative, you may want to review the appropriate provincial legislation, and in Alberta that would be the Wills and Succession Act as well as the Estate Administration Act. If you feel that acting as a personal representative is perhaps more onerous or time consuming than you are able to manage, you could have the option of hiring a trust company—as your agent—to complete the estate administration on your behalf.

# OUR PROMISE TO YOU

ATB Wealth is here to help right from the beginning. Our promise is that we will listen to your needs and do what we can to ensure that the process of settling the estate is as simple and efficient as possible.

# WHAT CAN ATB DO FOR YOU?

- ✓ When accounts are held at ATB, we will assist with immediate needs once proof of death and copies of invoices are provided.
- ✓ We will locate all the assets of the deceased held with ATB.
- ✓ We will provide you with required forms needed to settle each asset held with ATB.
- ✓ We will help answer questions about estates throughout the process and point you in the right direction if additional professional services are needed.
- ✓ We will provide solutions for investing estate assets or inheritances.

# WHO SHOULD I CONTACT?

There are a lot of tasks associated with settling an estate and many will require the professional advice and services of a lawyer and accountant. Obtaining sound advice and assistance from these professionals will help clarify your responsibilities, get the job done, and help the process run smoothly. There are a lot of legal risks and demands associated with settling an estate, which is why ATB recommends that you seek professional assistance outside of ATB. Therefore, in addition to talking with your bank, you may also need to contact other professional services.

**Accountants:** An accountant can help with the estate financials, reporting, and tax returns. However, they still may need to delegate legal work to a lawyer, and you will still need to handle a lot of the information gathering and administration work. Accountants will charge a fee for these services.

**Lawyers:** Throughout settling an estate, legal issues can arise. In most cases only a lawyer can deal with these situations. A lawyer can handle a lot of the tasks related to the estate, however, they may still need to delegate certain work to accountants. You will still be responsible for the majority of the information gathering and administrative work. Lawyers will charge a fee for these services.

## NEED A LAWYER OR ACCOUNTANT?

ATB has established relationships with a variety of accountants and lawyers. Talk to your local ATB branch or representative, and we can suggest someone to help you through this difficult time.



# **STEP-BY-STEP GUIDE TO SETTling AN ESTATE**



To make things a bit easier to digest, we suggest you divide the task of settling an estate into these phases:



### **PHASE 1**

Make arrangements and gather information



### **PHASE 2**

Identify all assets and liabilities



### **PHASE 3**

Obtain a Grant of Probate or Administration



### **PHASE 4**

File tax return(s) and pay outstanding debts



### **PHASE 5**

Finalize the estate

#### **NOTE**

Again, each estate is different, and the following is not intended to be an all inclusive list for settling every type of estate. This information is intended as a guide to assist you with the more common matters encountered. Remember to seek out professional assistance if you are unsure about anything.

# PHASE 1

## MAKE ARRANGEMENTS AND GATHER INFORMATION

### 1. Contact the funeral home.

Your first step is to contact the funeral home. The funeral director will help plan the visitation, service, and burial or cremation.

### 2. Locate the will.

If you are named as personal representative in the deceased's will, they may have already provided you a copy. If they haven't, it is common for people to keep a copy in a secure location like a home safe, safe deposit box, or with their lawyer. Most banks will allow next of kin to access a safe deposit box in the name of the family member who has passed away for the sole purpose of checking for and retrieval of a will. Once located, get a number of notarized copies of the will as you may need more than just the original.

### 3. Create an obituary announcement.

This is totally optional. If you want to place an obituary in the newspaper, the funeral director can help craft and arrange the obituary to be placed in the newspaper. Be sure to include details about the time and place of visitation and the funeral services. If donations are preferred in lieu of flowers, you may want to consider listing any charities your loved one would have liked to support.

### 4. Arrange or help with funeral arrangements.

As personal representative, it is usually your responsibility to handle the funeral arrangements, but often friends and family will help you. There may be instructions left in the will or as part of a pre-planned funeral arranged by the deceased with a funeral home. If the person has passed away without leaving any instructions, you may wish to consult family members or someone who was close to them regarding funeral arrangements.

### 5. Collect original or certified copies of the Registration of Death.

The spouse, parent, or a person who knew the person who has passed is responsible for completing a Registration of Death form. The form is usually completed at the funeral home when the funeral arrangements are being made. The funeral home will register and submit the original documents to Vital Statistics. After a death is registered, you can order death documents from a registry agent or Registry Connect.

### 6. Obtain and deal with identification and government issued documents.

This includes items like their social insurance card, passport, driver's licence, and health care card. You should make a copy of the cards and numbers as you may need them for pension or government benefits.

- a. Driver's licence: Contact a motor vehicle registry and ask if you need to return the driver's licence. A refund for the unused portion of the term of the licence may be issued. If you don't need to return it, destroy it to help prevent fraud or identity theft.

- b. **Passport:** If the passport is valid, send the passport with a copy of the death certificate and a letter stating whether to destroy the cancelled passport or return to you:

Passport Program  
Gatineau, QC, K1A 0G3

You don't need to return an expired passport. However, it can also be returned with a copy of the death certificate and a note asking for its destruction.

- c. **Social insurance card:** Advise Service Canada of the death to reduce the possibility of someone else using the deceased's SIN. You will still be able to use the SIN for estate purposes.

Provide the SIN card and a copy of the death certificate to Service Canada at the address below. If you do not have the SIN card but know the number, provide a death certificate with the SIN clearly written on it.

Service Canada, Social Insurance Registration Office  
P.O. Box 7000, Bathurst, NB, E2A 4T1

- d. **Health care card:** Notify the Alberta Health Care Insurance Plan (AHCIP) office of a death of a family member who was registered with the AHCIP if they died outside of Alberta.

You will need to provide their full name, date of birth and date of death in person at a participating registry or to the AHCIP office.

After you have notified AHCIP, the personal health care card of a deceased person should be discarded or destroyed in a secure manner.

**B.C. Residents:** Contact Service BC for support with cancelling BC Medical Services Plan (MSP) at 1-800-663-7867.

**SK Residents:** Contact eHealth Saskatchewan at 1-800-667-7551.

## **7. Obtain and deal with credit cards and debit cards.**

Once you have contacted all of the financial institutions to cancel/block the cards and accounts, you may generally destroy the credit and debit cards. If the card was in the deceased's name only, make arrangements to pay any outstanding balance if it is not insured. If there is a joint borrower or authorized card user, ask the financial institution for further information/instruction. Some credit cards offer rewards and benefits, including cash back, points and life insurance. Contact the card issuer to ensure that all applicable benefits are payable to the estate or applicable beneficiaries.

## **8. Check up with any dependent family members.**

If family members were dependant on the person who has passed away, they might need support to meet their immediate financial needs.

## **9. Review any marriage contracts, family law issues, or family maintenance and support issues.**

Sometimes there can be issues as a result of a separation, divorce, or other family law contracts and family relations. If any of these issues may exist, ask a lawyer for advice on how to proceed.

## **10. Keep lines of communication open with beneficiaries.**

Settling an estate can be time consuming. Make sure you have an open line of communication with the beneficiaries so they know what's happening and give them clear expectations on when the stages of settling the estate might be nearing completion.

## **11. Verify if the deceased person was a sole or co-personal representative of an existing estate, or the sole or co-trustee of any existing trust.**

If so, it is recommended that you seek advice from a lawyer on the next steps.

# PHASE 2

## IDENTIFY ALL ASSETS AND LIABILITIES

### **1. Notify any financial institutions where the deceased person had accounts.**

Arrange to meet with a representative of their bank or investment firm to provide proof of death and confirm that you are the personal representative of the estate. After learning the person has passed away, the firm may freeze the account meaning that no funds can be withdrawn from the account except for certain expenses, which may include funeral expenses, probate fees, property taxes, income taxes, utility bills, and insurance payments. ATB can assist you with all of these things.

### **2. Review property insurance policies.**

It's your job to protect the estate's assets from loss, theft, or destruction until you can sell or distribute the assets to the proper beneficiaries. Notify the insurance companies of the death and arrange to make any necessary payments to keep the insurance in place. If there is real estate involved, ask the insurance company what their policy is regarding vacant property. You may need to get some form of property management in place. You should also check their policy on driving a vehicle that is not registered in the policy.

### **3. Collect life insurance benefits.**

Locate life insurance policies and contact the insurance companies. If the estate itself is the named beneficiary, the life insurance proceeds will become part of the estate's assets. In most cases, insurance companies will require you to keep making payments until that is officially determined.

### **4. Check safe deposit boxes.**

If the person who has passed away had a safe deposit box, you will need to determine whether any of the contents in the box belonged to the deceased. If the box was rented solely by the deceased, you will, in most cases, be able to inventory and/or remove the contents in order to determine who owns them and distribute accordingly. If the box was rented jointly with another person, you may need that person's assistance to access the box.

### **5. Prepare an inventory of assets and liabilities.**

Preparing the inventory of the estate is critical, and ensures that all assets and liabilities as of the date of death are recorded and reviewed for settling the estate.

### **6. Get rid of unnecessary expenses.**

Cancel leases and non essential utilities like cable and phone, as well as club memberships to avoid unnecessary charges.

### **7. Contact Service Canada to notify them of date of death.**

If there are any payments, they can be deposited directly into the person's account. If the deceased was a veteran or a dependent of a veteran, they might be eligible for burial, pension, and other benefits from Veterans of Canada's Last Post Fund. Ask Service Canada about this. They might put you in touch with your local Veterans Affairs Office to assist you further.

**8. Notify Canada Revenue Agency:** You should provide the CRA with the deceased's date of death as soon as possible. You can advise the CRA by calling 1-800-959-8281 or 1-800-387-1193, by sending a letter, or a completed Request for the **Canada Revenue Agency to Update Records form**. As the legal representative, you may need information from the deceased person's tax records. To get online access to their records, you will need to register for represent a client.

**9. Check for additional benefits that may be available from the government.**

For information on requirements to qualify and how to apply, visit the Service Canada website at **serviccanada.gc.ca**. Benefits may include:

- CPP death benefit: A one-time payment to the estate of a deceased person who made CPP contributions.
- CPP survivor's pension: May be available to the spouse or common-law partner of a deceased person who made CPP contributions.
- CPP children's benefits: May be available to dependent children of a deceased person who made CPP contributions. The child must be either under age 18 or between the ages of 18 and 25 and attending school full-time are eligible.
- Federal Military Pension. If the deceased was a veteran or a dependent of a veteran, they might be eligible for burial, pension, and other benefits from Veterans of Canada's Last Post Fund. Ask Service Canada about this. They might put you in touch with your local Veterans Affairs Office to assist you further.

It can take some time before all applications are processed and government benefits are paid out. As such, you may want to contact Service Canada to ensure all government benefits have been paid out before finalizing the estate.

**10. Preserve the value of the estate.**

As personal representative, it's your job to protect the value of the estate until it can be distributed to the beneficiaries. In protecting the assets, you will need to consider several factors including risk of loss, time horizon and tax implications. During your review, you may need to address certain assets early in the administration. Such action may include selling investments that are no longer appropriate in an estate, transferring cash to a high interest savings account or getting a vacancy permit on a residence.

# PHASE 3

## OBTAIN A GRANT OF PROBATE OR ADMINISTRATION

### 1. What is a Grant?

Probating the will is the process by which a will is confirmed as the valid last will and testament of the deceased as well as the appointment of the personal representative.

If there was no will left behind, Letters of Administration will have to be obtained for you to have legal authority to administer the estate. In this situation, the assets of the estate must be distributed according to the laws of intestacy. Please consult a lawyer if you have any questions regarding the distribution of assets according to such laws.

A Grant is often required to gain access to financial accounts and/or to deal with other estate assets. Please note, Grant applications may have to be done in other jurisdictions depending on the nature of the estate assets located there. If this becomes a consideration, it is important to seek legal advice in the relevant jurisdiction.

If there is a relatively small amount of money with a bank, the bank may release funds without requiring a Grant. A Grant will be required if there is any land or property involved that forms a part of the deceased's estate. If you are unsure if a Grant is required or recommended, talk to a lawyer.

### 2. Court applications to administer the estate.

All applicable forms necessary to receive a Grant to administer an estate can be obtained from the Surrogate Courts of Alberta. While you can do these applications without the help of a lawyer, they are quite complex and it's recommended that you hire a lawyer to assist. Please note that there is a fee to apply for a Grant in addition to the lawyer's fees, which will vary depending on the nature of the estate.

### 3. Once a Grant is received.

The next step is to begin to consolidate the assets. This generally includes closing existing bank accounts and transferring balances into an estate account. The estate bank account (or sometimes a lawyer's trust account) is then used to manage the estate's assets and to pay expenses that may be incurred in the administration of the estate. This makes accounting for the estate much easier. For example, you can use the estate bank account to deposit the proceeds from the sale of the deceased's property, additional government benefits, or pay expenses such as income tax or municipal property taxes.

#### **4. Additional estate asset considerations.**

RRSPs and RRIFs. The market value of their Registered Retirement Savings Plan (RRSP) and Registered Retirement Income Fund (RRIF) is generally included in income on the final tax return. In some cases, it may be possible to defer the tax, with the most common scenario being a tax-deferred transfer to a spouse or common-law partner. Other qualifying beneficiaries include financially dependent children or grandchildren. If there is a named beneficiary on a registered plan, the proceeds might go directly to the beneficiary, and the value of the RRSP or RRIF will not form part of the estate.

Tax-Free Savings Accounts (TFSA). If they had a TFSA, the market value of the TFSA on the date of death is not subject to tax and will be received by the estate tax free. If the TFSA assets are transferred to a beneficiary stated in the will, they will still get the funds tax free. Again, if there is a named beneficiary on the TFSA, the proceeds might go directly to the beneficiary. Any growth in value accrued after the date of death will be taxable to the beneficiary.

# PHASE 4

## FILE TAX RETURN(S) AND PAY OUTSTANDING DEBTS

### 1. Preparing and filing all tax returns.

You will have to file a final, commonly referred to as a terminal, tax return for the deceased covering the period from January 1 of the year of death to the date of death. If the date of death occurred between January 1 and October 31, the tax return is due by April 30 of the following year. If the date of death was between November 1 and December 31, the tax return is due six months after the date of death.

Check that there are no outstanding tax returns from previous years before completing the final return. Any outstanding returns will have to be filed first, and in year order up to the final year. All taxes owing must be paid at this time, by the stated due date, to avoid paying interest, and if the return is late, penalties might be charged.

Once the CRA processes the final tax return, it will issue a Notice of Assessment. A Notice of Assessment is a statement which shows the income tax liability for a particular year and any amount still owing or refundable. Further, depending on the length of time it takes to administer the estate, there may be the need to file further tax returns. When no further taxes are owed, you can apply to the CRA for a Tax Clearance Certificate. This confirms that all tax liabilities for the estate have been paid and is important protection for the personal representative.

Every situation is unique and this information is not intended to be taken as tax advice. We strongly recommend that you contact the CRA at 1-800-959-8281 or [www.cra.gc.ca/](http://www.cra.gc.ca/) and contact and/or seek the assistance of an accountant or tax professional in preparing any tax returns.

### 2. Debts of the estate.

It is also suggested that you speak with a lawyer or accountant about how to deal with any debts the deceased may have had. They might recommend that you alert potential creditors of the deceased so you can identify any potential claims against the estate, and to protect it against future claims.

### 3. Pay any balances on credit cards, personal loans, lines of credit, utility accounts, and other liabilities in the deceased's name.

You will need to contact their bank along with any other financial institutions they may have dealt with for a list of any outstanding balances owing. Check if any of the loans were life insured, and if not, they may need to be paid from the estate. If there are insufficient funds in the bank account to cover all the debts or if you have any questions or concerns over whether a particular debt claimed by a creditor is actually owed, please talk to a lawyer.



# PHASE 5

## FINALIZE THE ESTATE

Each estate will be unique in terms of the steps required to finalize the estate. For example, if there is a claim made against the estate, family maintenance and support issues, ongoing litigation, property in other jurisdictions, existing business or corporate interests, then additional time and steps will be required by you as the personal representative. If there is any uncertainty in terms of how to deal with certain estate assets or issues, you should seek advice from a lawyer and/or accountant. Therefore, it is important as you proceed to finalize the estate for distribution that you have a team of legal and tax professionals to advise you on the steps required based on the circumstances of the estate.

Generally speaking however, the following are steps and considerations prior to distribution of the estate, recognizing there may be various distributions (eg. interim, specific gifts, etc.) subject to the specifics of the estate you are dealing with.

### **1. Accounting.**

At various times in the estate administration process, it is important to prepare an accounting for the estate. The accounting will include an update on the estate assets, liabilities, expenses, and steps taken to date. It may also include a summary of your expenses as personal representative. A lawyer is best to advise you on the requirements of the accounting and who should receive an accounting based on the specific estate situation.

### **2. Personal representative compensation.**

As personal representative you may be entitled to receive financial compensation. The fee may be stipulated in the will or you may talk to a lawyer about how to determine your fee. At a minimum, you are entitled to reimbursement of any reasonable expenses incurred while carrying out your duties. Any compensation you receive, with the exception of reimbursement for direct expenses, may be taxable as income and we recommend that you contact the CRA or seek the assistance of a tax professional for more information.

### **3. Tax Clearance Certificate.**

When no further taxes are owed, you can apply to the CRA for a Tax Clearance Certificate. This confirms that all tax liabilities for the estate have been paid and is important protection for the personal representative.

### **4. Receipts and releases.**

It is recommended that you obtain receipts and releases from all beneficiaries receiving property from an estate. A receipt is a record that the beneficiary received the property, while a release is an acknowledgement from the beneficiary that they received everything they are entitled to receive and cannot make any future claims against the estate. These may be combined into a single document or may be separate where beneficiaries receive more than one distribution from the estate. Please consult a lawyer to determine what is recommended given the specifics of the estate you are dealing with.



# **ATB WEALTH CAN HELP SUPPORT YOU WITH THE RIGHT ADVICE**

This guide was created to help you navigate the estate administration process.

If you have additional questions we're here for you.

Contact your ATB Wealth advisor or give us a call at 1-855-541-4387.



**My ATB Wealth contact is:**

Name \_\_\_\_\_

Location \_\_\_\_\_

Phone number \_\_\_\_\_

Email \_\_\_\_\_

# PERSONAL REPRESENTATIVE CHECKLIST

As a personal representative, you will be responsible for managing and administering the estate. This will include, but not be limited to, paying debts and funeral costs, locating assets, and distribution of the estate to beneficiaries.

## Phase 1: Make arrangements and gather information

Notes/Date

1. Contact the funeral home	
2. Locate most recent will	
3. Prepare an obituary announcement	
4. Funeral arrangements	
5. Obtain original or certified copies of the Registration of Death	
6. Obtain and deal with the deceased's identification, debit/credit cards and government issued documents	
7. Check with any dependant family members	
8. Seek advice on any marriage contracts, family law issues and/or family maintenance and support issues	
9. Keep lines of communication open with beneficiaries	
10. Verify if the deceased person was the sole or co-personal representative of an existing estate or of any existing trust	

## Phase 2: Identify all assets and liabilities

Notes/Date

<b>1. Notify financial institutions where the deceased person had accounts</b>	
<b>2. Review insurance policies</b>	
<b>3. Collect life insurance benefits</b>	
<b>4. Check safe deposit box (locate key, record &amp; distribute contents)</b>	
<b>5. Prepare a list of the deceased assets (what they owned) and liabilities (what they owed)</b>	
<b>6. Cancel leases, non essential utilities like cable and phone</b>	
<b>7. Contact Service Canada to notify them of the deceased's date of death and confirm any available benefits</b>	
<b>8. Preserve the value of the estate</b>	

## Phase 4: File tax return(s) and pay outstanding debts

Notes/Date

1. Prepare and file all outstanding tax returns in year order	
2. Apply to the CRA for Tax Clearance Certificate (once no further taxes are owed)	
3. Get advice on and deal with outstanding debts of deceased person	

## Phase 5: Finalize the estate

Notes/Date

1. Accounting	
2. Personal representative compensation	
3. Tax Clearance Certificate	
4. Receipts and releases	









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