

With you, when you  
may need us most.

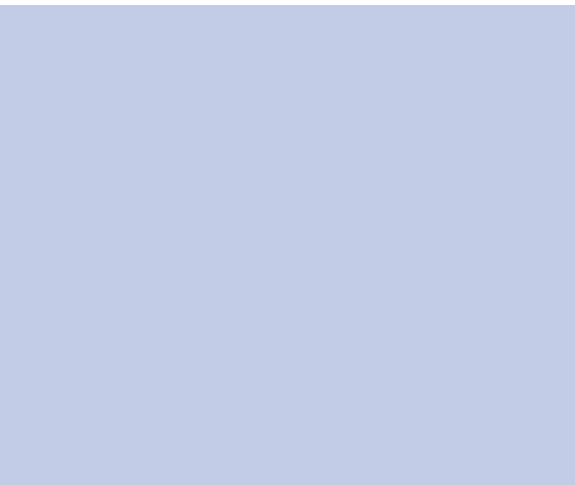
In a time of loss.





The passing of someone close to you can transform the world around you.

*We can ease the burden.*



## **BMO Financial Group is here to help.**

*We understand how hard it can be.*

Every culture has its own way of dealing with death, yet all acknowledge the power of grief, when even the simplest things can become very difficult.

Sorting through someone's life and legacy is not a simple matter. BMO Financial Group can assist with this responsibility should you require legal counsel or accounting services. We can provide guidance to help you in finding local professionals in the areas of estate settlement and litigation.



## Settling the Estate


It is the Executor's responsibility to act in the best interest of the Deceased's estate, following the instructions set out in the Will.

It can be an honour to be appointed an Executor; it is also a significant and often time-consuming responsibility. We have developed this guide to help provide you with the information you'll need to carry out your duties.

If you are looking for direct assistance, we can help you to partner with BMO Trust Company to manage some of the administrative tasks required – from the initial review of the Will to the final distribution of the assets.

Involving BMO Trust Company may be a prudent course of action if you reside at some distance or in a different province than the Deceased; if you have neither the time nor expertise to sort through the complexities; if you anticipate conflict among the beneficiaries, or if the estate is large enough to warrant professional assistance.

While you may have a personal interest in the estate, if you have not been appointed as the Executor, you will have to work with the named Executor to get information on the Deceased's assets. It is important to note that only the Executor can provide beneficiaries with information about the estate, not withstanding their relationship to the Deceased.



To help with the initial task of securing the assets, we will meet with you to review your needs in detail and discuss options.

For that meeting, certain documents will be required:

- Original or notarized copy of death certificate or funeral director's certificate
- Notarized copy of the Will (if available), to confirm the named Executor(s)
- Two forms of personal identification, including one government-issued photo ID
- Copies of any BMO Financial Group account statements and/or statements from other financial institutions (if available)
- Bills or invoices that need to be paid immediately
- List of issues/questions that you would like addressed

In Quebec, an alternative set of documentation is required:

- Original or notarized provincial death certificate
- Original Last Will & Testament
- Identification of the Liquidator of Estate
- Original or notarized copy of the Research Certificate from Quebec Bar (if available)
- Original or notarized copy of the Research Certificate from Chamber of Notaries (if available)

Together we can help you find answers to the questions that most Executors typically face.

### What Happens to the Deceased's Accounts?

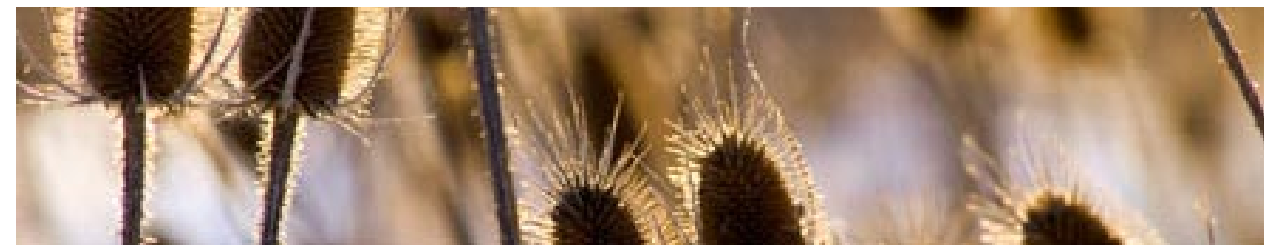
As soon as you provide notification of a client's death, we will protect the estate by limiting access to the assets held at BMO Financial Group. The death certificate is required by law to verify that that access to these accounts should be restricted, but funds in the accounts can still be used to pay funeral expenses and cover ongoing maintenance expenses such as mortgage payments and utility bills.

Following this step, an estate account is normally opened, which is used for ongoing estate activity. For example, expenses that arise from estate administration, such as legal and tax fees, will flow through this account.

### Do I Need to Obtain "Probate"?

One of the first questions that needs to be answered is whether the Will must be "probated". Probate is a court process which validates that the Will was indeed the last signed Will by the Deceased. Third parties (such as BMO Financial Group) that hold assets of the Deceased normally require the Will to be probated in order to ensure that they do not release the assets to the wrong beneficiaries.

You may need to consult with legal counsel for assistance with applying for probate. The forms, process and fees will depend on the province where the deceased was resident.



### What Do All the Terms Mean?

While you are in the process of administering the estate, an Executor may come across some of the following terms:

- Testator/Testatrix:** a man/woman who has made a Will before death
- Beneficiary:** the recipient of funds, property, or other benefits from a Will or trust
- Trustee:** the individual or trust company that holds legal title to property for the benefit of someone else
- Letters Probate:** a court grant confirming that a Will is recognized as valid. In Ontario, this is referred to as a "Certificate of Appointment of Estate Trustee with a Will"
- Codicil:** an amendment to a Will
- Joint Tenancy with Right of Survivorship:** ownership of property by two or more people in which the survivors automatically gain ownership of the Deceased's interest
- Tenancy in Common:** ownership of property by two or more people in which each tenant's undivided interest is distributable at death to his heirs
- Intestate:** dying without a valid Will
- Testamentary Trust:** a trust established by the Will of a Deceased individual
- Executor:** the term "Executor" is referred to as a "Liquidator" or an "Estate Trustee" in Quebec. The person or trust company appointed or named to administer the Deceased's estate.





## When you are acting as the Executor

The duties of an Executor are both numerous and varied. To give you an overview, we have listed some of the key tasks:

### Preliminary Steps

- ❑ Notify family, friends and acquaintances of the death.
- ❑ Obtain the death certificate and locate the Will to determine whether there are any special funeral directions. Make the appropriate arrangements.
- ❑ Review bank and investment statements. Freeze accounts and determine if any action is required to manage assets or expenses.
- ❑ Probate the Will, if required.

### Administration

- ❑ Record all expenses that relate to the estate administration to ensure that all costs are reimbursed from the estate.
- ❑ Provide a copy of the Will to beneficiaries and others as required under Provincial laws. Keep beneficiaries updated throughout the process.
- ❑ Close bank accounts and transfer balances to the estate account. If there are joint accounts with right-of-survivorship, arrange transfer to surviving joint tenant.
- ❑ Pay final bills, redirect all mail, cancel subscriptions, memberships, and services.
- ❑ Arrange for safekeeping of any valuables and ensure that property insurance is kept up-to-date until the sale of the assets.
- ❑ Consider entitlements such as life insurance, Canada (or Québec) Pension Plan Death Benefits, Survivor's Benefits and any company benefits.



- ❑ Obtain prior years' tax returns. Prepare and file Terminal T1 Tax Return and other special returns with Canada Revenue Agency and any other taxing authorities. Terminal returns must be filed by the later of April 30th of the year following the year of death, or six months from the date of death.
- ❑ Make an inventory of assets/liabilities. Arrange for valuations of real estate, securities, personal property, or automobiles if required. Arrange for publication of Notice to Creditors.
- ❑ Close safety deposit box and collect contents.

### Distribution

- ❑ Request a Clearance Certificate from tax authorities (Canada Revenue Agency) to permit distribution without personal liability. Upon receipt of a Clearance Certificate, distribute funds or deliver assets.
- ❑ Complete documents to transfer assets from the name of deceased to the estate.
- ❑ Review the Will and determine distribution of assets. Consult with beneficiaries regarding the distribution of specific items.
- ❑ If the Will provides for trusts, set up testamentary trusts and arrange for ongoing compliance with the rest of the terms of the trust, for example, payment of income.
- ❑ Distribute personal effects and obtain receipts.
- ❑ Retain sufficient funds as a reserve for income taxes and any outstanding liabilities.
- ❑ Calculate Executor's compensation. Executors are entitled to fair compensation for their time and effort. The amount of this compensation is subject to the direction of the court in most provinces.
- ❑ Arrange for the closing of Estate bank account.



## What Happens once the Estate is Settled?

After the estate is settled, the beneficiaries may look to you for advice and counsel. In fact, you may be a beneficiary of the estate in addition to being appointed as the Executor. For example, there may be questions about:

- how best to invest the inheritance;
- what you can do to update your own estate plan, and;
- how to use all or part of the inheritance to leave a legacy, either in the name of the Deceased or for a cause which is important to you.

We can continue to help on these matters. Once the estate is settled, consider setting up a meeting with your BMO Financial Group advisor to discuss your options and update your financial plan.



## How Do I Find Resources outside of BMO Financial Group?

You and others involved in the estate may require professional assistance in areas beyond our expertise. For such matters, we will do our best to point you in the right direction.

### Tips to Finding Professional Resources

Although the courts don't require you to retain professional counsel, the laws pertaining to estate administration and taxation are complex. So it's prudent to consider enlisting the help of professionals. Some useful tips to consider:

1. Ask a colleague or friend for a recommendation – this is a good place to start. If someone you know and trust has gone through a similar experience, they can provide candid feedback to help you find an experienced professional.
2. Call beforehand and take time to ask questions before you retain anyone's services. Ideally, you want to find a person or company that has experience with estate issues.
3. Find out what is required from start to finish. Understanding the process can help you to prepare documentation and ensure that the estate is settled as efficiently as possible. Find out how many face-to-face meetings are required so that you can manage your time.
4. Do not hesitate to ask about fees. It is best to ask for a quote ahead of time. Most professionals will be able to provide a range in which the fee will fall within, or may even provide a firm quote if the estate is not overly complex. Ask what you can do on your own to help keep costs down.

If you find yourself struggling with the emotional challenges that commonly surface following the death of someone close to you, our partners at Shepell·FGI are available to provide immediate crisis support and direct you to resources in your local community for ongoing support. For a confidential and complimentary conversation with a professional counselor, call 1-800-268-5211. Someone will be available to speak with you around the clock.

For more information, visit our website at [www.bmoinvesting.com/settling\\_the\\_estate](http://www.bmoinvesting.com/settling_the_estate)

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