

How to respond when someone wants you to be their executor

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Managing an estate can bring you a shipload of trouble, so ask these questions to make sure you don't get in over your head

The person asking you to be their executor after they die expects a succinct oneword answer to the request.

The answer is yes, of course. It's hard to say no to someone entrusting you to execute their will and make sure their beneficiaries get what's coming to them. It's an honour to be chosen, a validation that you're a serious person.

Being an executor can also bring a shipload of trouble. Don't say yes before finding out what you're up against.

For some help on this, let's check in with David Edey, author of the book *Executor Help: How to Settle an Estate, Pick an Executor, and Avoid Family Fights*, and a senior adviser at wealth management company TWMG Inc. in Saint-Laurent, Que. Asked to be an executor? Mr. Edey suggests you ask a bunch of questions right back.

"A lot of people take on the job of executor because it's the one last final favour that they're doing for someone," Mr. Edey said. "But you have to go into the job with your eyes wide open."

QUESTION 1: WHERE IS THE WILL KEPT?

The fact that someone is asking you to be their executor, also known as estate trustee, suggests they are working on their will or already have one. Mr. Edey suggests finding out where you can locate not just the will, but also digital assets such as passwords and logins needed to access financial accounts. Also, ask whether there's an accountant and/or lawyer who can help you in executing the will.

QUESTION 2: HAVE YOU SPOKEN TO YOUR FAMILY ABOUT ALL OF THIS?

Make sure the family knows you've been asked to be executor, and verify that the beneficiaries know what to expect in the will.

"If somebody says, 'I'm not going to say anything to the beneficiaries because it's going to cause problems,' what they're doing is passing on the problems to you," Mr. Edey said.

QUESTION 3: HOW COMPLEX IS YOUR ESTATE?

Mr. Edey said executors should typically expect to spend 100 hours over 18 to 24 months to settle an estate. Complexities such as family businesses, trusts and investment properties can add significantly to your commitment, and require that you spend time consulting outside experts.

A corporate executor – basically a professional executor for hire – could make sense for multimillion-dollar estates.

QUESTION 4: HAVE YOU CHOSEN A GUARDIAN FOR YOUR YOUNG CHILDREN?

Find out who the guardian is, and then ask whether adequate money has been allocated in the will for raising the children. Are the guardians ready, willing and able to look after the kids?

QUESTION 5: HAVE YOU MADE AN ALLOWANCE FOR ME TO BE PAID FOR MY TIME?

Mr. Edey suggests raising this point if you, as executor, are not also named as a beneficiary in the will. The payment would acknowledge the considerable time and responsibility that can be involved in performing the duties of an executor. Compensation for executors is generally set as a percentage of assets in the estate.

Corporate executors get paid fees of about 5 per cent. Also confirm that you'll be reimbursed for out-of-pocket expenses such as gas and printing.

QUESTION 6: IS THERE A CO-EXECUTOR I HAVE TO WORK WITH?

If there is a co-executor, you'll have to work together. All paperwork must be signed by all executors. Don't think you can work with the other co-executor? Say so now.

Mr. Edey said executors have three priorities: to pay the right amount of taxes, to pay the beneficiaries and then close the estate.

Of particular importance is a clearance certificate from Canada Revenue Agency confirming that the estate has paid all taxes, interest and penalties owing.

"If you don't have that and [the estate] still owes taxes, then the government is going to hold you responsible," Mr. Edey said.

"You may have to go back to the beneficiaries to get the money to pay off the taxes, and good luck with that."

It can be a lot of work to be an executor, and a lot of pressure.

Protect yourself by asking lots of questions of the person asking you to take on this job. Evasive, incomplete or jumbled answers are a danger sign.

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