



Practical Wealth Creation Ideas

...for Simplified Financial Success™

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The Powers That Be

WHAT SPECIAL POWERS DO EXECUTORS HAVE?

- An executor carries out the instructions in your will. Co-executors can share the task.
- Provincial laws define what the executor must do, whether they are a friend, relative, professional or a trust company, but the will can specify even more extensive powers.
- The executor may have to deal with some or all of the following issues at an emotional time: funeral homes, beneficiaries, Revenue Canada, insurance and investment companies, government and business pension departments, real estate agents, lawyers, accountants, appraisers, stock brokers, and business partners.
- The executor can be empowered to convert the estate to cash or divide assets equally among beneficiaries. They can also make payments to the parent/ guardian of a beneficiary under the age of 18.
- The executor (especially if inexperienced in legal or financial matters) should know how complex the estate is before agreeing to the task. If necessary, appoint a co-executor who is a professional in this field.
- Have a clear and objective idea of what will be involved

before asking someone to be your executor and before agreeing to act as one.

How to compensate YOUR EXECUTOR

Administering an estate can be a lengthy, complex and time-consuming task. If the executor is also a friend or relative of the deceased, they will be required to take on major responsibilities at an emotionally difficult time.

Executor fees are set by provincial law. Fees usually range from 3-5% of the estate (depending on the complexity of the estate and the time and work required to process it). The fee is paid out of the proceeds of the estate. A family member acting as executor usually waives payment, but they are legally entitled to receive it if they so choose.

A professional executor (lawyer, accountant, trust company) may be able to calculate their fee in advance so you will know what it will cost your estate before enlisting their services. Find out what the fee covers because it may be well worth the investment to hire a professional. Individual professionals usually charge on an hourly basis, whereas a trust company will base their fee on a percentage of the estate. Even with a small estate, it may be worthwhile to pay for professional expertise while also naming a close friend or relative as a co-executor.