

A Survivor's Guide *to Settling Your Estate*



Mason
FINANCIAL

And Personal Records Organizer

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The information in this booklet is general in nature. Since laws vary from province to province, we recommend you obtain legal advice for the administration of an estate. "Your Survivor's Guide" is provided as a convenience; the accuracy and completeness of information in it is not guaranteed by Karen C Mason, CFP, CLU, CHS or Mason Financial

A Balanced Approach to a Rock Solid Foundation.

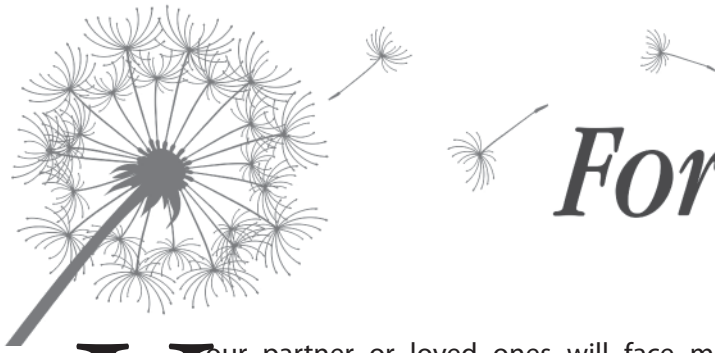
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- Employee Benefit Plans



Karen Mason
CFP CLU CHS

6689 Sooke Rd, Sooke • 250.642.0776 • MasonFinancial.net



For Your Executor

Your partner or loved ones will face many decisions upon your death. This section will help you understand the many responsibilities your executor carries out on your behalf. It also serves your executor as a reference after you die. For this reason, we refer to “the deceased” throughout.

You and your executor should review this section together, then discuss and clarify your expectations. Taking time to do this now will ensure your final wishes are carried out in the way you intend.

This guide explains what you need to do as an executor. Not all points apply in every situation, especially if you administer your spouse’s estate

Arrange the Funeral

- List the names, addresses and birth dates (or approximate ages), of all immediate family members, including spouse, children, grandchildren, brothers, sisters and parents.
- Notify family, friends, heirs and employer about the death.
- Arrange for burial or cremation and funeral services, according to the deceased’s wishes. The deceased may have already made funeral arrangements.

Attend to Personal Matters

- Locate the Will and all documents relating to the estate.
- Consider consulting or hiring a lawyer.
- Locate all bank accounts and determine whose name each account is in and the balance in each account.
- Unless you had a joint bank account with the deceased, you probably need to open a bank account in the estate’s name to pay the estate’s debts. The financial institution will close the deceased’s personal accounts when the estate account is opened. Banks and other financial institutions may refuse to honour cheques written by the deceased but not cleared before his or her death.

- List the names, addresses and birth dates of all beneficiaries named in the Will or other documents relating to the estate.
- Notify the beneficiaries of their interests.
- Determine whether any immediate family members have urgent financial needs. If so, and if they can’t wait for the estate to distribute assets, look to the following sources of funds:

Life Insurance Benefits payable to the immediate family

- Gather the information you’ll need to claim life insurance benefits: life insurance policy numbers, the deceased’s full name and any nicknames or other names he or she may have used, home address, social insurance number and, if applicable, veteran’s file and service number. You’ll need the names, addresses and birth dates of the beneficiaries named in the life insurance policies. You’ll also need a birth certificate, with place of birth, and a death certificate with the date and place of death from the attending physician or a statement of death from the funeral director.

Company Benefits

- Contact the employer to have unpaid salary, pension, group insurance or union benefits made payable to the estate or the designated beneficiaries.

Canada pension or survivor benefits

- Contact the Canada Pension Plan Office nearest you to determine if any pension or survivor benefits are payable.

Look After Assets and Debts

- Protect the assets before probate. Take cash, jewelry and other valuables into your possession. This is to ensure there’s enough money to settle all debts and pay all taxes before you distribute the assets to the heirs.
- Re-register assets in the estate’s name, if applicable.

- Where appropriate, lock up the residence and notify the police the home is vacant. In winter, ensure the house remains heated or pipes are drained to prevent freezing.
 - Examine insurance coverage and insure the estate's assets, such as motor vehicles, house, furniture, jewelry and art, against fire and other perils.
 - For motor vehicles, check the insurance policy for adequate coverage and permitted uses. If someone uses a vehicle and coverage is inadequate, the estate may be liable, or you, as the executor, may be liable personally.
 - Organize interim management for the deceased's business or farm, where applicable. If you, as the executor, decide to run the business, you must consider personal liability.
 - Collect income generated by the estate's assets or payable to the deceased. Have any uncashed cheques made payable to the estate.
 - Check the accuracy of all debts and pay them, including credit card bills, medical and dental bills, personal loans, guarantees, utility charges, land taxes, repair bills, etc.
 - Search the titles of all residential property, rental housing, vacation property and agricultural or commercial lands that the deceased owned. Determine the details of ownership and obtain legal descriptions
 - Determine if any money is owing on mortgages or other encumbrances.
 - Check for outstanding taxes and utility charges.
 - Check on property insurance and arrange for transfer, if necessary. Ensure that premium payments continue until the property is sold or transferred to heirs.
 - Check leases and tenancy agreements, arrange for payment or collection of rent and give notice, if appropriate.
 - Cancel charge accounts and destroy credit cards.
- Make household arrangements**
- Arrange with the local post office to re-address mail.
 - Cancel magazine subscriptions and club memberships.
 - Arrange for care of pets
- Prepare an inventory of all assets and debts**
- Review the deceased's personal papers for all assets and debts.
 - Locate the safe deposit box, obtain keys and list the contents.
 - Take an inventory of assets and debts and, if necessary, have them valued. Include the following:
 - Bonds:** kind of bond, serial numbers, face value, interest rate, maturity date, market value, total value, any coupons that have been clipped and the name and location of registration for any corporate bonds
 - Stocks:** company name, type of shares, whether transferable or non-transferable, current market value per unit and total value of all shares.
 - Business or farm assets:** equipment, machinery, accounts receivable, goodwill, etc.
 - Personal belongings:** household furniture and goods, clothing and jewelry, artwork, stamp and coin collections, electronic and sports equipment, motor vehicles (with details on registration and insurance) and recreational vehicles.
 - If you're concerned about debts coming to light after you've settled the estate or if the estate is large or unfamiliar to you, place newspaper advertisements to try to locate creditors.
 - Identify any debts to family members and find evidence of the loan balances.
 - Consider any claims or potential claims against the estate and obtain legal advice, if necessary
 - Assess the rights of the surviving spouse under provincial family law. Depending on the province, you may be required to advise the surviving spouse that he or she might have a claim and should seek independent legal advice.
 - Assess the rights of anyone who was financially dependent on the deceased.

- Set aside reserve funds for estimated debts, taxes (including potential taxable capital gains on property, such as a cottage) and your compensation as executor.
- File a final T-3 income tax return.
- Consult an accountant to help you file the appropriate returns and pay any taxes due. An accountant can also help you determine whether previous years' returns need to be re-filed.
- Obtain tax clearance from Canada Revenue Agency (formerly Canada Customs and Revenue Agency) to ensure all outstanding taxes are paid before you distribute the assets to heirs.
- Apply for any benefits payable on death, including Canada/Quebec Pension Plan death benefit, life insurance proceeds, and death benefits from pension plans or annuities. Deposit the benefits received into the estate account.
- Prepare and maintain estate accounts for approval by beneficiaries or examination by the court, where appropriate.
- Have your lawyer prepare and send the final releases for beneficiaries to sign, stating that they make no further claims on the estate.

Settle the Estate

Supply the lawyer with a detailed statement of assets and liabilities. Have the lawyer apply to the court for Letters of Probate.

- Identify trust agreements or outside estate interests to determine whether any assets are held in trust, separately from the estate.
- Depending on the circumstances, you may have to convert investments and other assets into cash and deposit the funds into the estate account. You may have to invest the estate balance in interest-earning investments, pending final distribution to beneficiaries.
- Ensure all legitimate claims against the estate are settled and paid.
- Prepare the transfer or deed for conveyance of real property, if required by the Will. Real estate transactions can be quite complex. Your lawyer will probably prepare the legal documents.
- Arrange the rollover of registered retirement savings plans or registered retirement income funds to the surviving spouse or dependent child, if required.
- If there is no Will, distribute assets according to the rules for intestate succession, i.e., the provincial laws that govern distribution of estate property where there's no valid Will.
- Dispose of or distribute personal property, as instructed by the Will.
- Prepare cheques, pay legacies and transfer bequests, as provided in the Will.
- Invest assets to establish trusts, if required by the Will.
- Prepare cheques and pay balances to residuary beneficiaries, i.e., beneficiaries who receive the part of the estate remaining after all specific gifts by Will are made and all debts, taxes, fees and other costs are paid.
- Advise beneficiaries about including income from the estate in their income tax returns, if appropriate.
- Pay funeral expenses.
- Close the estate bank account.



Notes





For Your Family

Your partner or loved ones will face many decisions upon your death. This section will help family members after your death, and for that reason we refer to “the deceased.” We’ve included practical advice on whom to contact and information on the options available to your family regarding their life insurance benefits.

Here’s a list the people and organizations to contact when a family member dies.

Executor

- If the executor is not an immediate family member, notify him or her immediately to begin settling the estate.

Banks, Credit Unions and Trust Companies

- Contact each financial institution with which the deceased held an account and confirm the amount on deposit.
- Check for any creditor life insurance that automatically pays an outstanding loan balance at death. A mortgage, personal loan or vehicle loan may carry this type of insurance. Don’t pay off any debt until you know whether creditor insurance covers that debt.
- Don’t automatically pay off a long-standing debt, for example a mortgage, if it carries an interest rate significantly lower than current rates. It may be to your advantage to keep making payments on the lower-interest loan and invest the life insurance benefits where you may earn a higher rate of return.
- Benefits you receive from your spouse’s registered retirement savings plans, pension plans and deferred profit sharing plans are taxable income. You can defer taxes on this money by transferring it directly into your own registered plan.

Employer

- Contact the employer about unpaid salary, commissions or bonuses, accrued vacation or sick pay, group life insurance or pension plan benefits owed to the deceased.

- If the deceased was retired, check with the organization that provided the pension payments. Ask about any amount owed to people named in the policy to receive death benefits.

Additional Considerations for Business Owners

Lawyers

- Contact corporate and personal lawyers for the most current buy-sell agreement. This tells you the value of the deceased’s shares, or how to determine their value, as well as what was agreed on for the succession of the business.

Business Partners

- Contact surviving business partners to determine what to do as a result of the buy-sell agreement. For the viability of the company, surviving partners should contact suppliers, creditors and employees. Obtain the appropriate forms to claim any group life insurance or pension plan benefits owed to the deceased’s beneficiaries.
- Canada Pension Plan Beneficiaries may be entitled to a lump-sum death benefit, a survivor’s pension or children’s benefits. A disability benefit may be payable if the deceased was disabled for four months before death.
- If the deceased was receiving Canada Pension Plan benefits, the cheques may be cashed up to and including the month of death. Cheques or direct deposits issued after that must be returned.

Contact the Canada Pension Plan Office nearest you for the appropriate claim forms. You need the deceased’s birth certificate, death certificate and social insurance number. To claim a survivor’s pension, you need your birth and marriage certificates. To claim children’s benefits, you need their birth certificates.

Employment Insurance

- If the deceased was receiving employment insurance benefits at the time of death, the estate is eligible to

receive benefits up to and including the day of death. If the deceased had not applied for employment insurance benefits, the legal representative can apply for the benefits. Employment insurance benefits paid after death must be repaid. Contact your local employment insurance office, listed on the Human Resources and Skills Development Canada website (www.hrsdc.gc.ca).

Veterans Affairs Canada

- Veterans may be eligible for additional benefits. Contact the Veterans Affairs office nearest you.

Union or Business Associations

- If the deceased was a member of a union, club, business or fraternal association, find out whether he or she had group life insurance or other benefits.

Life Insurance Companies

- Contact insurance companies that issued life insurance policies on the deceased. They need proof of death, such as a death certificate or a coroner or medical examiner's report. In some provinces, a funeral director's statement may suffice.
- You need to complete a claim form with basic information about the deceased, such as date and place of birth, social insurance number, and information about beneficiaries.
- Once the insurance company has the information it needs, it reviews the claim and, once approved, pays the proceeds according to the terms of the contract.

Life Insurance Benefits

The benefits from the life insurance policy can be significant, but this money may need to last a lifetime.

Here are some things you should know about life insurance benefits:

The policy amount, according to the terms of the insurance policy, is paid to named beneficiaries tax-free. If the named beneficiary is a corporation, the death benefit is paid to the corporation. The buy-sell agreement or deceased's Will dictates the flow of money from the corporation to the deceased's estate and beneficiaries.

The claim amount earns interest from the date of death until it is paid to beneficiaries. This interest is taxable.

There are several ways to receive the death benefit proceeds: in a lump sum or as a series of regular payments over your lifetime or for a period you select.

As a beneficiary, you want to be sure you have enough money to support yourself and your family now and for the future, including increases in the cost of living. Take time to think carefully about your needs. Your financial advisor can help you make choices about the life insurance benefits that will ensure your financial security over the long term.

Once you've thought about your goals, you'll be better prepared to decide how to receive the life insurance benefits.

Providing an income

Whether your family depends on two incomes or one, you'll probably need an income to meet ongoing expenses. Most life insurance companies offer beneficiaries a range of options for the money they receive from a life insurance policy.

1. Take the policy proceeds in cash or transfer them directly to an investment account.

You can take your insurance proceeds in cash to invest as you wish. You can invest this money in long- or short-term guaranteed investments or an investment fund. Your financial security advisor can help you decide on the best portfolio mix for your investments.

2. Receive an income for life

If you choose a life income annuity, you receive regular payments for your lifetime, with a guarantee to pay for a specified number of years, e.g., 5, 10, 15 or 20 years. If you die before the end of this period, payments continue to your beneficiaries.

3. Guarantee income for a specified period

With a term certain annuity, you receive regular payments for a period of time you choose, from 1 to 50 years. People often use this kind of annuity to provide an income bridge to retirement. A term certain annuity gives you the greatest income for the fixed period. It fully pays out all proceeds at the end of the period you choose. This option is attractive if, for example, you need a larger income while children are young or until your pension begins.

Once you set your goals, you will be in a better position to make these decisions. Your financial advisor can help.



Personal Records Organizer

Your personal records organizer provided by Mason Financial helps you organize important information about your personal and financial affairs in one handy location. You'll find it easy to update once a year. It will also help your survivors wind up your personal affairs after your death.

Keep this records organize in a safe place with your other important papers or electronically. Let your family know where it's located.

If you include information here about a living Will or organ donation, tell your family you've made those arrangements. You'll probably also keep information about this in your purse or wallet.

NEXT OF KIN

Name _____

Address _____

Telephone _____ Email _____

Name _____

Address _____

Telephone _____ Email _____

OTHERS TO NOTIFY IN THE EVENT OF DEATH

Executor

Name _____

Address _____

Telephone _____ Email _____

Financial Advisor

Name _____

Address _____

Telephone _____ Email _____

Employer or Business Partners

Name _____

Address _____

Telephone _____ Email _____

Lawyer

Name _____

Address _____

Telephone _____ Email _____

Accountant

Name _____

Address _____

Telephone _____ Email _____

Income Tax

Tax Advisor's Name _____

Address _____

Telephone _____ Email _____

Your tax and supporting information is located

Doctor

Name _____

Address _____

Telephone _____ Email _____

Medical Specialist

Name _____

Address _____

Telephone _____ Email _____

Dentist

Name _____

Address _____

Telephone _____ Email _____

Bank or Credit Union

Name _____

Address _____

Telephone _____ Email _____

Stockbroker

Name _____

Address _____

Telephone _____ Email _____

Trust Officer

Name _____

Address _____

Telephone _____ Email _____

YOUR WILL

Do you have a Will? Yes No

The original is located _____

A copy is located _____

The Will was last updated _____

Living Will

Do you have a Representation Agreement Yes No

The original is located _____

A copy is located _____

Power of Attorney

Do you have a Power of Attorney Yes No

Who? _____

Arrangements are made through _____

The original is located _____

A copy is located

Organ Donation

Do you want to donate your organs or body for transplant, medical research or education?

Yes No

If yes, have you explained this in your: Will Organ Donor Card Drivers Licence

FUNERAL ARRANGEMENTS

Have you made funeral arrangements? Yes No

Funeral Home, address and phone no _____

Have you set out instructions for burial, cremation or funeral? Yes No

Are these instructions in your Will? Yes No

In a letter? Yes No

Instructions are located _____

Do you own a cemetery plot? Yes No

Have you provided for its ongoing care? Yes No

The plot is located _____

The deed to it is kept _____

PERSONAL INFORMATION

Date of birth _____ Place of birth _____

Birth Certificate is located _____

Social Insurance Number _____

Citizen papers? Yes No

They are located _____

Marriage Certificate Yes No

Located _____

Military Service Yes No

Discharge papers are located _____

Veteran’s number _____

PREVIOUS EMPLOYERS

Employer

Years _____

Address _____

Email _____

Employer

Years _____

Address _____

Email _____

BANK ACCOUNTS

List all of your bank accounts, so your executor or family can find the money in them.

Bank, Credit Union

Branch _____

Account Number _____ Type _____

Bank, Credit Union

Branch _____

Account Number _____ Type _____

FINANCIAL COMMITMENTS

Rent or Mortgage Payments

Amount \$ _____

Due Date _____

Lender _____

Address _____

Outstanding Loans

Amount \$ _____ Due Date _____

Lender _____

Address _____

Outstanding Loans

Amount \$ _____ Due Date _____

Lender _____

Address _____

Bills Paid Through Automatic Payment Plans

Amount \$ _____ Due Date _____

Account no. _____

Company _____

Address _____

Amount \$ _____ Due Date _____

Account no. _____

Company _____

Address _____

OTHER FINANCIAL OBLIGATIONS OR COMMITMENTS

For _____

Located _____

For _____

Located _____

LIFE INSURANCE

Policies You Own on Your Own Life

Company _____

Policy Number _____

Policy is located _____

Company _____

Policy Number _____

Policy is located _____

Policies You Own on Others

Company _____

Policy Number _____

Policy is located _____

Name of Insured _____

Company _____

Policy Number _____

Policy is located _____

Name of Insured _____

Policies Others Own on Your Life

Company _____

Policy Number _____

Policy is located _____

Name of Insured _____

Company _____

Policy Number _____

Policy is located _____

Name of Insured _____

Group or Association Life Insurance

Company _____

Policy Number _____

Policy is located _____

Company _____

Policy Number _____

Policy is located _____

CRITICAL ILLNESS INSURANCE

Company _____

Policy Number _____

Policy is located _____

Company _____

Policy Number _____

Policy is located _____

DISABILITY INSURANCE

Company _____

Policy Number _____

Policy is located _____

Company _____

Policy Number _____

Policy is located _____

HOSPITAL AND MEDICAL INSURANCE

Company _____

Policy Number _____

Policy is located _____

Company _____

Policy Number _____

Policy is located _____

INVESTMENTS

Pension Plans

Are you a member of a registered pension plan? Yes No

Carrier Name _____

Address _____

Information about this plan is located _____

Carrier Name

Address _____

Information about this plan is located _____

Do you have a registered retirement savings plan (RRSP)? Yes No

FUND A

Investment Company _____

Account Number _____

Address _____

Information about this plan is located _____

FUND B

Investment Company _____

Account Number _____

Address _____

Information about this plan is located _____

Do you have a registered retirement income fund (RRIF) or Annuities? Yes No

FUND A

Investment Company _____

Account Number _____

Address _____

Do you have income? Yes No How often? _____

Information about this plan is located _____

FUND B

Investment Company _____

Account Number _____

Address _____

Do you have income? Yes No How often? _____

Information about this plan is located _____

Deferred Profit Sharing Plan

Are you a member of a Deferred Profit Sharing Plan? Yes No

Carrier Name _____

Address _____

Information about this plan is located _____

Mutual Funds and Segregated Funds

Do you have investment funds? Yes No

Fund (policy) A type (Mutual Fund, Segregated Fund)

Policy No _____

Investment Company _____

Address _____

Do you invest regularly using automatic withdrawals? Yes No

How often? _____

Where is it taken from? _____

Do you receive income? Yes No How often? _____

Where is it deposited? _____

Information about these investments is located _____

Fund (policy) B type (Mutual Fund, Segregated Fund)

Policy No _____

Investment Company _____

Address _____

Do you invest regularly using automatic withdrawals? Yes No

How often? _____

Where is it taken from? _____

Do you receive income? Yes No How often? _____

Where is it deposited? _____

Information about these investments is located _____

Tax Free Savings Account (TFSA)

Do you have a TFSA? Yes No

Do you have more than one TFSA? Yes No

Policy No _____

Investment Company _____

Address _____

Do you invest regularly using automatic withdrawals? Yes No

How often? _____

Where is it taken from? _____

Registered Education Savings Plans (RESP)

Do you have investment funds or RESP's? Yes No

Fund (policy) A type (Mutual Fund, Segregated Fund)

Policy No _____

Investment Company _____

Address _____

Do you invest regularly using automatic withdrawals? Yes No How often? _____

Bonds and Government Investments

Do you have any government bonds? Yes No

Registered in Your Name Yes No

Type of Bond _____

Bearer _____

Co-registered with _____

Serial numbers _____

The bonds are located _____

Securities

Do you own any stocks or bonds ? Yes No

Information about them is located _____

Did you acquire any of them by gift or inheritance? Yes No

Are any of your securities pledged for loans? Yes No

Financial Institution _____

RESIDENCE AND REAL ESTATE

Type of real estate (house, condo, vacation home, etc.) _____

Title is held by (select one) You Spouse Joint

Is there a mortgage? Yes No

Mortgage is held by _____

Type of real estate (house, condo, vacation home, etc.) _____

Title is held by (select one) You Spouse Joint

Is there a mortgage? Yes No

Mortgage is held by _____

Where are the following located?

Deeds _____

Copy of Mortgages _____

Property Insurance policies _____

Land Surveys _____

Property Tax Receipts _____

Leases _____

Maintenance details _____

PERSONAL PROPERTY

List all vehicles you own _____

Vehicle registrations are located _____

Bill of sale and insurance papers are located _____

Jewelry, collectibles, etc are located _____

Are household furnishings insured? Yes No

Bill of sale, inventory and insurance policies for household furnishings are located _____

DEBTORS, CREDITORS

People who owe you money

Name _____

Address _____

Email _____

Amount _____ Date _____

Name _____

Address _____

Email _____

Amount _____ Date _____

People to whom you owe money, other than previously listed

Name _____

Address _____

Email _____

Amount _____ Date _____

Name _____

Address _____

Email _____

Amount _____ Date _____

Loan agreements or promissory notes are located _____

Safe Deposit Box

Do you have a safe deposit box? Yes No

Location _____

Names of others who have access to it _____

Location of the keys _____

List of contents is kept _____

Charitable Gifts

For _____

Address _____

For _____

Address _____

Contractual Obligations

For _____

Located _____

For _____

Located _____

Trust Funds

Have you created any trusts? Yes No

Purpose _____

Trust agreement was drawn up by _____

Trust papers are located _____

Memberships

List all memberships in clubs and associations and publication subscriptions.

Name _____

Address _____

Name _____

Address _____

Notes

