



Choose your executor with care

A will is the legal document that provides instructions about what you'd like done with your belongings after you die.

Without a will, sorting out your estate can become complicated, expensive and time-consuming.

Surprisingly, an estimated 50 per cent of Canadians don't have wills – but they should. If you're just getting started, one of the first questions you'll have to ask yourself is who you'd like to be the executor.

The executor is responsible for, among other things, finding out what your assets are and what they are worth, investing them, selling them, and distributing them to your beneficiaries. The executor must also pay off any outstanding debts and prepare your final tax return. It can be a demanding job, so it's important to choose the right person.

QUESTIONS TO CONSIDER

Ask yourself some of the following questions to evaluate candidates:

Does this person live close enough to me? Otherwise, some estate funds will be consumed by the executor's travel costs.

Does this person have the emotional fortitude to handle the funeral arrangements? Someone who will be incapacitated by grief at your death may not be the best choice.

Is this person comfortable talking to financial advisors and making financial decisions? Your executor will need to handle a wide range of such duties, from preparing a statement of your assets and liabilities to filing life insurance claims and your final tax return.

Is this person likely to outlive me? If you choose someone a lot older than you, or in poor health,





they may die before you do, and you'll have to name alternate executor(s) or amend your will.

Will this person welcome the responsibility? Being the executor of someone's will can be time-consuming, so make sure the person you choose is up to the task.

Can this person handle negative reactions from family members? If not everyone is happy with the decisions you've made about passing on your assets, the executor may bear the brunt of their dissatisfaction, so make sure you pick someone who will remain relatively unruffled by it.

WHEN TO APPOINT A PROFESSIONAL

Most people choose a family member or close friend as their executor, but you could also appoint a lawyer or a private trust company, especially if your estate is complicated or you have trusts that will run for many years. A trust company may also be the best choice if your will is likely to spark clashes among family members who don't usually get along well.

The amount of compensation your executor can expect is provincially regulated, but it often comes to about five per cent of the estate, plus expenses. A trust company would also receive an ongoing percentage of any trusts under its management.

Whatever you do, give your decision adequate thought and choose carefully. The right executor can make a big difference when it comes to how smoothly your assets are transferred to your beneficiaries.

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