



GEOFFREY W. WHITE
BARRISTER & SOLICITOR
ESTATE & CHARITY LAW

Planning *Points*

Professional Executor

"Independent & experienced care for your estate."

Why consider a professional?

It is an honour for a family member or friend to be named as your executor. It is also a heavy burden.

What does an Executor do?

There are many duties and responsibilities. Here are some of the basics. Review the Will and confirm the legal effect of the instructions. Identify and value all assets. Protect the assets. Collect the assets. Confirm and pay the debts and taxes. Distribute the estate in accordance with the instructions: either directly or through trusts. Keep detailed accounting records. Report to the beneficiaries. An executor has significant personal liability regarding estate debts, taxes and the protection of assets. An executor must be willing and able to devote the time required to handle the estate.

What is the advantage of a professional?

A professional's primary focus is to deal with estates on a daily basis – they have up-to-date experience and knowledge about the special rules that apply to estates, tax, trusts, and business activities. Also, their sole objective is to impartially carry out your wishes – their independence will avoid the potential for family conflicts.

Won't it cost a lot?

The fee is the same for everyone whether they are professionals or family or friends. The Trustee Act caps the fee for all executors at 5% of

the gross value of the estate, plus an annual fee that is usually about 1% per year. In fact, most professional executors will confirm their fee in advance, and it is often less than 5%, particularly for estates over \$500,000.

What are the options?

There are three ways a professional can help: to act as the sole executor; to act as a co-executor with one or more others; or, you could appoint a family member or friend as executor and direct that they hire a professional to act as agent to assist them. (You may want to consider this option if you are appointed as an executor.)

When do you recommend a professional?

Every estate can benefit from neutral, experienced, quick, independent guidance. A professional is particularly important when:

- there is a potential conflict among beneficiaries (e.g. blended family, differing viewpoints);
- a beneficiary needs special guidance (e.g. to help the develop their skills or, if necessary, provide lifelong guidance);
- the estate involves special assets (private business or real estate holdings).

Types of professional executors?

Professional executors include: Trust Companies and Individual Professionals. The Trust Companies include: the larger companies that are associated with chartered banks; and more recently, some smaller regional companies. Individual Professionals

include: lawyers, accountants (or other advisors) who focus a majority of their practice on estate management.

How are they different?

The Trust Companies have many staff, resources, and geographic reach. Some offer discounts for investments made within their related financial institutions. Individual Professionals are sometimes more flexible and independent outside a corporate structure; they also are more likely to develop a long-term personal relationship.

Do you act as a Trustee?

We encourage our clients to consider all options including Trust Companies. Some clients do not find that option to be appropriate for them. Our office has therefore offered professional executor services to our clients for ten years as a complement to our key focus on estate services. We have excellent staff that have experience working within a Trust Company. We maintain a special insurance policy to protect the estates under our care. We are independent and able to work with your preferred advisors or investments. Our primary focus is estates.

Why Bother?

A professional executor can prevent disputes, can ensure that no cost savings are missed, and can allow your family to focus on family matters rather than the technical burdens of the estate. If that sounds appropriate for your plan, we are ready to help. Together, we will fine-tune a strategy that gives you a valuable return on the investment you make in your planning and, most importantly, peace of mind.

Planning *Points* is a series of brief updates on Estate Planning topics for our clients and professional associates.

Please call for a list of other available topics. We welcome your feedback, insights and suggestions for topics.

Contact our law offices at (250) 712-2205, fax (250) 712-2208, or gwhite@bcestatelaw.com