The importance of alternate Executors

Naming an Executor is an important step in the estate planning process and should not be taken lightly. An Executor is responsible for making sure the deceased’s wishes are carried out exactly as stated in the Will. For various reasons, your chosen Executor may be unable or unwilling to fulfill their responsibilities. Therefore, it is important to prepare an alternate option to ensure your estate is properly handled.

What is an Executor?

An Executor (‘liquidator’ in Quebec / ‘estate trustee with a Will’ in Ontario) is appointed by the testator in their Will and is responsible for administering the deceased’s estate and distributing the property in accordance with the terms of the Will. Where the deceased dies without a Will, or “intestate”, an administrator (estate trustee without a Will, in Ontario) performs a similar role, but must follow the provincial intestacy rules with respect to the distribution of the deceased’s property.

Duties of an Executor

An Executor’s duties can be demanding and time-consuming. In addition to dealing with considerable paperwork, it may also mean having to cope with tax, inheritance, family property laws and court procedures, while at the same time addressing the demands of beneficiaries.

Among other duties, a prudent Executor will:

- Carefully manage all assets until they are distributed or sold
- Maintain regular communication with the beneficiaries
- Obtain probate, where required
- Identify, secure, and prepare an inventory of estate assets
- Settle the deceased’s outstanding debts and liabilities
- Prepare and file all required tax returns and obtain clearance certificates
- Prepare a full accounting of the estate, detailing all transactions for approval of the beneficiaries

Importance of naming an alternate

Many people appoint their children as Executor of their estate. While your child may be able and willing at the time, this may not be the case upon your passing. As individuals are living longer, their children may be predeceased, incapable, or otherwise unable to perform the duties of an Executor. Naming an alternate Executor ensures that you get a say in how your estate is administered, even if your first choice cannot assume the role.

Appointing a corporate Executor

You may choose to name a Trust Company, such as Scotiatrust, as your alternate Executor. A corporate Executor will never become deceased or incapable, giving you confidence that your affairs will be taken care of, in the event that your first choice cannot perform the role.

Scotiatrust is a professional fiduciary often appointed to provide valuable continuity and expertise to help ensure the wishes expressed in your Will are carried out with sensitivity, professionalism, and objectivity.

Summary

Naming an alternate Executor is just as important as choosing your primary Executor. Whether it is a friend, family, or Trust Company, your alternate Executor will be there to assume the role if required.

Find out how an Estate and Trust Consultant at Scotiatrust can help you with your Will and estate planning needs.