



What Being an Executor Really Involves

Perry Eisenschmid

Many of us feel honoured when asked to be the executor of an estate. But that feeling can quickly change to confusion and anxiety when it comes to fulfilling the executor's duties. Most people do not realize how difficult the role can be.

Being the executor of an estate involves much more than helping with the funeral arrangements and locating the deceased's will. Executors are responsible for over-seeing all aspects of an estate's settlement and are legally accountable to the estate's beneficiaries.

The duties can be onerous and complex, taking anywhere from six months to several years to complete. The checklist below gives an idea of the numerous duties involved.

Expectation:

64% of Canadians would feel honoured if asked to act as executor – only 20% would consider it a burden .

Reality:

The scope of responsibility may be greater than most anticipate.

When you assume the role of executor, you have the option of seeking professional assistance to help you settle the estate. Agent for Executor is a comprehensive service typically provided by a trust company.

As executor, you can arrange for this service, which will be paid for from the estate's assets. The service will be tailored to fit the needs of the executor and the estate. In all cases, however, the executor retains final decision-making authority over the estate.

Getting expert assistance will make it easier for you to do the best job you can and maximize the value of the inheritance passed on from the estate. You will be there to make sure the wishes of the deceased are followed, and carry out your duty to your friend or loved one, and you might not be overwhelmed by the process.

Could you Afford Your Care?

An Executor's Checklist

Immediate duties:

- Find and review the most recent will.
- Notify beneficiaries and discuss their entitlement.
- Take care of family's immediate needs.

Protect the estate:

- Ensure safe custody of personal valuables and important documents
- Check and maintain any vacant property.
- Redirect mail, cancel subscriptions, leases, credit cards.

Value the estate:

- Prepare a statement of assets and liabilities.
- Obtain title documents for assets
- Arrange valuation of real estate, securities and personal property.

Clarify tax issues:

- Determine capital gains at date of death
- Determine tax implications of foreign assets.
- Prepare and file final tax returns.

Administer the estate:

- Close the deceased's accounts; open

estate bank account.

- Arrange transfer or sale of securities, including RRSP/RRIF proceeds.
- Arrange "advertisements for creditors and others".
- Deliver household and personal effects bequeathed to beneficiaries.

Distribute the estate:

- Set up testamentary trusts and act as trustee.
- Pay all creditors of the estate.
- Prepare and distribute a final report and accounting to the beneficiaries for their approval.

Elizabeth Dorsch

It may be difficult to envision yourself needing long-term care, but it's better to plan and be prepared than to find out later that you haven't made provisions for the care you need.

Long-term care can cost \$3,000 a month or more. Planning now, while you are healthy, for a situation that may not occur for years, decades, or ever doesn't have to be complicated. Explore the following options with your advisor to ensure that the appropriate long-term care is within your financial reach should you need it.

Treat home equity with caution

Your home equity could be an important source of capital if you require long-term care, either through the sale of your home or a reverse mortgage. But there are drawbacks to both.

If you plan to sell your home to pay for care, the timing of the sale may not be ideal. You may be forced to sell your home during a poor market and receive much less than you anticipated, or you may choose not to sell if the cost of in-home care is less than living in a long-term care facility.

And while a reverse mortgage lets you stay in your home and provides a stream of tax-sheltered income, it's a loan that must be repaid with interest, either from your estate or when you sell your home.

Tapping into your home equity may not always be the most appropriate source of funds for long-term care.

Consider a trust

If you have investments in lieu of, or in addition to your home, and if you hope to leave an estate for beneficiaries, a living trust might be appropriate. A living trust is created by you and prepared by a lawyer during your lifetime.

While a formal trust will entail set-up fees and ongoing costs, it can provide certain advantages over less formal arrangements:

- Upon death, the assets remaining in the trust pass outside of the estate to your beneficiaries,

generally free from any probate fees or creditors' claims.

- Naming a professional trustee and a family member as co-trustee ensures that you have professional trust management and a family representative making all major decisions. When your assets are professionally managed, you can ensure that you will have income and capital available to cover long-term care needs.

Long-term care insurance



Long-term care insurance is relatively new to Canada, although it's popular in the U.S. It pays a benefit covering the cost of long-term care if you develop a chronic illness or disabling condition that requires in-home caregivers or relocation to a care facility.

This type of insurance usually pays a pre-determined dollar benefit (\$100 a day, for example) for each day that you use long-term care. You determine the dollar amount, with premiums rising as the potential benefit increases.

Our Advice

- Assess your current financial situation to determine whether your savings or assets are sufficient to cover a long-term care situation.
- Consider creating a living trust now to cover long-term care in the future.
- Talk to your advisors about whether a long-term care insurance policy might be right for you.

CSS Fall '99 Travel

Christian Stewardship Services' Staff travel across Canada on a regular basis offering free of charge, confidential counselling on personal finances, estate and will planning.

1999/2000 promises to be another busy travel season for CSS staff. Travel arrangements have now been made for the fall season. To book a presentation for your church or school group or to arrange a personal visit in advance, please contact the CSS office.

September 16 – 25	BC Lower Mainland
September 20 – 27	Dordt College, Barnabas Meeting, CRC- Gr. Rapids
October 22 – 30	Manitoba
Oct 26 – Nov. 5	Alberta
November 17 – 28	BC Lower Mainland & Vancouver Island
November/December	Eastern Canada

advancing stewardship

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Volunteer Needed!

Christian Stewardship Services is seeking a part-time volunteer for data entry and general office duties. Hours are flexible. If you possess good organizational and computer skills, please contact:

Agnes Bunger or Henry Eygenraam at CSS
(905) 947-9262

Stewardship Project Update

The Stewardship Education project that CSS is initiating for Canadian Churches in partnership with the Christian Reformed Church has received full approval. A co-ordinating committee for the project is now being formed by the CSS Board of Directors which will now begin developing the program. CSS seeks expressions of interest in a staff position as follows:

STEWARDSHIP EDUCATION CO-ORDINATOR Seeking confidential expressions of interest

Christian Stewardship Services (CSS) in partnership with the Christian Reformed Church and other potential partners is developing a new stewardship education program for Canadian Churches. As the program components are developed, CSS invites expressions of interest from persons interested in a full-time staff position for this program.

The program will require a person with a strong, broad understanding of the Biblical concepts of stewardship, the use of financial resources and giving. The successful applicant will have strong interpersonal, group presentation, and facilitation skills, and good experience and skills in adult education.

Familiarity with Christian Stewardship Services, its sponsoring agencies, and constituencies will be a definite asset. Salary and benefits commensurate with skills and experience. Initial two-year contract (renewable). The position will require a significant amount of travel across Canada.

PLEASE SEND A BRIEF RESPONSE, by November 15, 1999, stating your interest and your qualifications in confidence, to Henry Eygenraam at Christian Stewardship Services.

Give a Life Insurance Gift!

Life Insurance can be an excellent planned giving tool for a donor who wishes to make a substantial gift to charity. Moderate, tax deductible deposits are leveraged for a large gift at the time of death.

New or existing life insurance policies may be donated. A charitable receipt is issued for the cash value of existing policies and or the future premium payments. Usually, some variety of permanent life insurance is used to fund gifts of this type.

Care should be exercised in the choice of policy and ownership structure. A qualified CSS representative can advise you about plans and important ownership options to tailor this giving tool to your specific needs and circumstances.

Features of Charitable Life Insurance

- Simple to set up and manage
- Irrevocable gift when charity is owner and beneficiary
- Tax credits for premiums paid and cash values
- Gift not subject to estate fees

Because of the many possibilities surrounding gifts of life insurance and the fact that there are several different policy owner/beneficiary combinations which have varying tax implications, potential donors should consult the staff at Christian Stewardship Services or their own life insurance professional before proceeding.

Moneytips!

Pay yourself first!

The most effective way to save is to put aside a fixed amount from each pay cheque. The rule of thumb is 10% of your pay. To keep temptation at bay, consider having your savings deducted automatically from your pay cheque or withdrawn from your bank account.

Set up a Budget

Keep a written record to track where your money goes and monitor your spending patterns. You'll be surprised at the opportunities for savings you find!



Formalize a Financial Plan

Putting it in writing puts it in focus. This year, draw up a comprehensive plan that encompasses retirement saving, tax planning, saving for your first home or your children's education, and tax-effective investment planning. Christian Stewardship Services' advisors can ensure that the process is effective and the end product complete.

Review Your Insurance Needs

When was the last time you looked at your life insurance coverage? Chances are that your needs and your financial status have changed. You don't want to pay for more coverage than you need, but you want to ensure the security of your family. Review your auto and home insurance as well. You might be able to raise the deductibles on your policies and save premiums!

Request for Information:

mail or fax to:

Christian Stewardship Services 600 Alden Road, Suite 315 Markham, Ontario L3R 0E7 Fax: (905) 947-9263

Please provide the following:

- | | |
|---|--|
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| <input type="checkbox"/> Information on making a will and a copy of your Will Guide | <input type="checkbox"/> Information on CSS Endowment Gifts |
| <input type="checkbox"/> Have a representative call to arrange a visit | |
| <input type="checkbox"/> Information on Charitable Gift Annuities | |

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