



## Deceased Taxpayers What To Do... When You've Lost A Loved One...

Coping with the death of a loved one is difficult. We understand that you are going through a very trying time. In view of this, we hope we can help you by answering some questions you may have.

### Are you the Legal Representative?

If you are the executor, administrator, or a liquidator you are the legal representative of the deceased person.

- An **executor** is someone who the will names to act as the legal representative to handle the deceased person's estate.
- An **administrator** is appointed by the court to handle the deceased's estate if there is no will or the will does not name an executor.
- A **liquidator** is only relevant for the province of Quebec. They are responsible for distributing assets of all estates established after December 31, 1993. For estates with a will, the liquidator's role is similar to that of an executor.

### Responsibilities of the legal representative

- File all required income tax returns (current and previous years if still outstanding).
- Make sure all taxes owing are paid.
- Let the beneficiaries know which of the amounts they receive from the estate are taxable.
- Note: Funds should not be released to beneficiaries until the appropriate releases and clearance certificates are obtained.

### Things to do

- Provide Canada Revenue Agency (CRA) with the deceased's date of death by providing a copy of the death certificate and a copy of the will or other legal document that gives the name of the executor or legal representative.
- Contact Human Resources Development Canada to cancel the deceased's social insurance number, Canada Pension Plan and old age security.
- Obtain a clearance certificate from CRA which certifies that all amounts for which the deceased is liable to CRA have been paid (covers period up to the date of death).
- GST/HST credit payments received after the deceased's death must be returned to CRA.
- Apply for the Canada Pension Plan death benefit (if applicable).

### Potential Tax Returns in the Year of Death

- Terminal T1
- Rights or Things (amounts that were not paid at the time of death and that, had the person not died, would have been included in his or her income when received)
- Stub period business income
- Trust return (T3)

Be sure to contact your Collins Barrow Tax Advisor to determine which returns are required as the rules governing which returns are required are very complex.

#### Ottawa Office

301 Moodie Drive, Suite 400  
Ottawa, Ontario K2H 9C4  
T (613) 820-8010 F (613) 820-0465  
[ottawa@collinsbarrow.com](mailto:ottawa@collinsbarrow.com)

#### Manotick Office

1136 Clapp Lane  
Manotick, Ontario K4M 1A3  
T (613) 692-2553 F (613) 692-2995  
[manotick@collinsbarrow.com](mailto:manotick@collinsbarrow.com)

#### Queensview Office

2725 Queensview Drive, Suite 500  
Ottawa, Ontario K2B 0A1  
T (613) 226-5661 F (613) 226-3141  
[queensview@collinsbarrow.com](mailto:queensview@collinsbarrow.com)

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## What is the Due Date for the Final Tax Return and Any Balance Owing?

You have at least six months before the deceased's final return is due to be filed. The final return(s) and any balance owing are due on or before the following dates:

Period When Death Occurred	Due Date of Return(s)
<b>January 1 to October 31</b>	April 30 of the following year
<b>November 1 to December 31</b>	Six months after the date of death

If the deceased or the deceased's spouse or common-law partner was carrying on a business during the year when the death occurred, special rules apply. Please contact your Collins Barrow Tax Advisor to learn more.

## Previous Year Return

If a person dies after December 31, but on or before the filing due date for his or her return (usually April 30), and that person had not yet filed that return, the due date for filing it as well as the payment of the balance owing is six months after the date of death.

## Instalments

If the deceased person was paying tax by instalments, no additional instalment payments are required after his or her death. The only instalments required are those that were due before the date of death, but not paid.

## Executor Duties

### Personal

- Make necessary funeral arrangements, including payments.
- Change mailing address, cancel subscriptions, cancel credit cards, and disconnect utilities.

### Preliminary

- Locate and examine last will and testament.
- Determine name, address, phone numbers, birth dates and social insurance numbers of beneficiaries.
- Preliminary consultation with lawyer to obtain overall understanding of the deceased's affairs – does the will need to be probated?
- Contact your accountant to assist in the administration of the estate.
- Estimate immediate cash requirements – are there specific funeral arrangements, family member needs?

### Fiduciary

- Attend reading of the will with family members.
- Obtain listing of assets and liabilities.
- Review contents of safety deposit box.
- Take necessary steps to protect property.
- Locate all bank accounts, notify bank(s) of death, bring passbooks up to date then transfer to trust accounts and invest excess cash after meeting immediate cash requirements.

## Summary

The death of a loved one can be very emotional and overwhelming. We, at Collins Barrow would like to help you through this difficult time.

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## Our Tax Team Members are:

**Robert Rock, CA, CFP** is a Partner of the firm and brings over 25 years of professional expertise providing income tax, executive compensation planning commodity tax, business reorganization and succession and financial planning advice to a wide range of clients. Contact Rob at: [rock@collinsbarrow.com](mailto:rock@collinsbarrow.com)

**Ken Tammadge, CA, CPA (ILL.)** is a Partner of the firm and brings over 30 years of professional expertise in providing services to entrepreneurial clients on a variety of tax issues in the areas of business succession, estate and retirement planning as well as cross-border tax issues. Contact Ken at: [ktammadge@collinsbarrow.com](mailto:ktammadge@collinsbarrow.com)

**Rosa Maria Iuliano, M.Acc., CA** is a Partner of the firm specializing in providing income tax, commodity tax, and financial planning advice to proprietorships, partnerships and owner-managed corporations and not-for profit organizations. Contact Rosa at: [riuliano@collinsbarrow.com](mailto:riuliano@collinsbarrow.com)

**Sylvain Campeau, CA, CPA (ILL)** is a Senior Tax Manager in the firm and a specialist in income tax, business reorganization, scientific research and development and cross border tax issues. Contact Sylvain at: [scampeau@collinsbarrow.com](mailto:scampeau@collinsbarrow.com)

## Why Collins Barrow Ottawa LLP

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