

## Top four questions that arise upon the death of a client's parent

### Addressing key issues can ease a difficult and emotional situation

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By Wendy Cuthbert

When a client is dealing with the death of a parent, a number of financial and emotional issues arise. You can play a significant role helping the client through this difficult experience.

"It's important to touch the client emotionally and recognize that they've gone through a significant loss," says Kathleen Holland, an advisor with Investors Group Inc. in London, Ont.

Arrange a meeting sometime after the funeral to address some key issues.

#### 1. Who's the executor?

If the client has been named sole executor, you can help him or her go through some of the steps that need to be taken to settle the estate. The client will need to decide whether to handle all the details of death notification on their own or hire someone to take care of things on their behalf. It's a big commitment if the client chooses to do it, says Marc Lamontagne, an advisor and principal with Ryan Lamontagne Inc. in Ottawa: "There's a lot of time involved."

If the deceased has named more than one executor, you will need to let your client know that each will have to sign off on every detail of estate settlement.

If the client is not an executor, he or she still might want to have the ear of the executor to make sure that the parent's wishes are respected. For example, an adult child might have a better idea about the charities the parent would want supported when it comes to donations, if that is not specified in the will, Holland says.

#### 2. Does the will have to be probated?

If the will has to be probated, the adult child can only be patient. No assets will be released until the probate process is complete. This can be difficult for adult children, who are often beneficiaries of the estate, because they are eager to get all the paperwork behind them and move forward. "I counsel patience," Lamontagne says.

#### 3. Who are the beneficiaries?

If clients don't know the beneficiaries named on various assets such as registered accounts, segregated funds and life insurance policies, they need to find out as soon as possible. Holland points out that there have been cases in which beneficiaries are not named, which can hold up the process even further.

#### 4. What are the tax implications?

Clients generally have two major questions when it comes to taxes: "How much will the estate have to pay?" and "How much will I have to pay?"

Lamontagne tells clients that, once the estate's taxes have been paid, the beneficiaries are free and clear, as there is no inheritance tax in Canada. However, problems can arise if clients are in a rush to file the deceased parent's tax returns.

For example, if a parent died in February of this year, the client might have wanted to file the 2010 tax return at the same time as the 2009 return was filed. Lamontagne advises against this practice because the year-of-death return would not be as accurate as it should be, because it would be completed using 2009 estimates. This can lead to an unexpected tax bill for which the executor will be responsible. If the tax bill arrives after the estate has been divided up between beneficiaries, collecting on the money from beneficiaries can be difficult.

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