

# Preparing the final return for Deceased Individuals

# Information and Checklist for Deceased Individuals

- ▶ This document was prepared to assist the Executor of a deceased person's Estate in gathering the information required for preparation of the deceased's tax returns. Many of the items requested here will be obtained as part of the normal administration of the Estate. This checklist, while detailed, is not intended to be all inclusive. We will request additional documents and information as required. If you have any questions regarding this list or the Estate, please contact us.
- ▶ For the purposes of this document, it is assumed that the deceased was a resident of Canada at the time of his/her death. Any references to income or assets include those originating or located in a foreign country.
- ▶ Any words or phrases marked with an asterix (\*) are defined in the Glossary located on page 9-10.

# Essential Information

## Deceased Information

Full Name:

Date of Birth:

Date of Death:

SIN#:

Province of Residence at Death:

Citizenship: (including dual citizenship)

Marital status at death: Married Common-law\* Widowed Divorced Separated Single

Did the deceased have self-employment or partnership income? Yes No

Did the deceased own foreign property costing more than CAD \$100,000?

- Yes
- No

Did the deceased have a long-term disability\*?

- Yes
- No

If yes, has a T2201 - Disability Tax Credit Certificate been submitted to Canada Revenue Agency?

- Yes
- No

Indicate when the disability began: Year:

Spouse Information Required if the deceased was married or common-law\* Full Name:

Date of Birth:

SIN#:

Net income reported on last tax return filed (line 236): Year: Amount: \$

## Executor Information

Full name(s):

Mailing address:

Telephone Number(s):

Email:

## Beneficiary Information

Are any beneficiaries not residents of Canada?

- Yes
- No

Is there currently, or do you anticipate, a Wills Variation Claim\* or Contesting of the Will\* ?

- Yes
- No

Are any beneficiaries minors or disabled?

- Yes
- No

# Getting Started and Filing Deadlines

## Tax & Financial Information

- ❑ Please provide the following documents and information as requested:
- ❑ Estate Documents
- ❑ Will
- ❑ Death Certificate
- ❑ Letters of Probate/Letters of Administration\*

## Disclosure Documents

- ❑ Statement of Assets, Liabilities & Distribution\*
- ❑ List of any assets which are not on the Disclosure Documents\*

## Examples include:

- ❑ RRSP / RRIF's with named beneficiaries
- ❑ Bank and investment accounts listed in joint names
- ❑ Real Estate listed as joint tenants\*
- ❑ Assets managed under a separate Will
- ❑ Bank statements or transaction printout of deceased's bank accounts for the year of death
- ❑ Joint Assets - For any joint assets, provide a brief summary of the deceased's interest in these assets: How and when were the assets first obtained?
- Who had the control, use and enjoyment of the assets?
- Who reported the income relating to the assets?

## Filing Deadlines

The due date to file the Final Return and pay a balance owing is:

- **April 30 of the year following the death** (if the death occurred between January 1 and October 31 inclusive)
- **6 months following the death**, on the same calendar day as the date of death (if the death occurred between November 1 and December 31 inclusive)
- **Filing due date if the deceased or their spouse or common-law partner was self-employed (operating a business)**

If the person who died or their spouse or common-law partner who was living with them was operating a business on the date of death, the following due dates to file apply to both individuals:

- **June 15 of the year following the death** (if the death occurred between January 1 and December 15 inclusive)
- **6 months following the death** on the same calendar day as the date of death (if the death occurred between December 16 and December 31 inclusive)

This later due date for self-employed individuals is not available if the business's expenditures were mainly the cost or capital cost of tax shelter investments.

# Income

## Tax Returns Up To Death (Personal T1)

- General T1 personal tax returns filed for the previous three tax years  
Notices of (Re)Assessment for the previous three tax years
- Unused donation credit balances carried forward from prior years
- Details of 1994 Capital Gains Election

## Employment Income

- T4, T4E
- Paystubs for employment income received after death

## Pension and Annuities

- T4A, T4A(OAS), T4A(CPP)

## Foreign pension

- Originating country:
- Monthly receipt: \$
  - Type of pension:  
(eg. social security, war pension, work pension, etc.)

## RRSP / RRIF's

- T4RSP, T4RIF
- RRSP Contributions Investment and brokers statements for the year of death
- Registered Annuity\*: Provide the amount of guaranteed payout at death,

- Mutual Funds, Stocks, and Other Securities
- T3, T5, T5008, T5013
- Investment and brokers statements for the year of death
- Adjusted Cost Base (ACB)\* information (sources may include):  
Financial advisor or investment account manager
- Deceased's personal records Transaction summaries for current and prior years
- Other Income
  - T5007 - Workers Compensation Benefits, Social Assistance

## Private Corporation\*

Did the deceased own shares in a private corporation\*?

- Yes
- No

If yes, please provide details:

## Farming or Fishing Income & Property

- Summaries of farming income, expenses and property

# Real Property

## Real Estate

If more than one property existed, attach a separate summary for each:

- ▶ Property address:
- Type of ownership
- Sole ownership
- Joint tenants\*
- Tenants in common\* - % ownership:

Date of death appraisal value: \$

BC Assessment values are generally NOT accepted for tax purposes

Was the property principal residence\* for all years owned and the lot size is less than 1.24 acres?

- Yes
- No

If yes, skip remaining real estate section and proceed to "Tax Returns After Death (Estate T3)" If no, specify for which years property was principal residence\*, if any:

Was the property rented or leased out?

- Yes
- No

If yes, please provide a summary of rent/lease income and expenses from date of death

Adjusted Cost Base (ACB)\* information:

If property was purchased: Provide the Purchaser's Statement of Adjustments

- If property was inherited or received as a gift: Provide a copy of the State of Title Certificate\*
- If none of the above are available, please provide the information below:
- Date of purchase or title transfer:
- Purchase price or market value at time of transfer: \$

Have there been any major improvements\* to the property?

- Yes
- No

If yes, please provide receipt

Sale information for property prior to death:

Vendor's Statement of Adjustments\* when sold

If not available, please provide the required information below:

Date of sale:

Gross selling price: \$ \$

State of Title Certificate\* for non-cash transactions & transfers

# Deductions, Credits, Other considerations

- Medical receipts
  - Donation receipts
  - Investment counsel fees, accounting fees
  - Annual union dues
  - Slips from charities named in Will
  - Income tax installments paid
- Dates Accounts were closed or indicate any accounts still open
  - Date Stocks and Assets were transferred to Beneficiaries
  - Did proceeds of investments go into a non interest bearing account?
  - Has the executor gathered the names and SIN of all the beneficiaries?
  - Are any beneficiaries non resident's of Canada?
    - Yes
    - No
- If Yes, has NR withholding number been applied for?

# Tax Returns After Death (Estate T3)

## Employment Income

T4, employee death benefit paid to the Estate

- CPP Death benefit

## Pension / Annuities

- T4A, T4A(P),T5
- CPP Death benefit

## RRSP / RRIF

- If the Estate is the beneficiary of the account, T4RSP,T4RIF
- Redemption receipt or statement prior to closing

## GIC / Term Deposits

- T5
- Investment and brokers statements from death

## Mutual Funds, Stocks and Other Securities

- T3, T5, T5008, T5013
- Investment and brokers statements and transaction summaries from date of death

## Real Estate

If more than one property existed, attach a separate summary for each:

Has the property been vacant since date of death?

- Yes
- No

Has the property been rented or leased out?

- Yes
- No

## Real Estate Cont

If yes, please provide rental income and expenses summary from date of death.

Has anyone lived at the property rent-free?

- Yes
- No

If yes, please provide the following information:

- Name:
- SIN #:
- Current mailing address:
- Relationship to the deceased:

From: To: Will s/he claim principal residence\* on other property for these year(s)?

- Yes
- No

Have there been any major improvements\* to the property?

- Yes
- No

If yes, please provide receipts.

- Sale information for property sold after death: Vendor's Statement of Adjustments\* when sold If not available, please provide the required information below:
- Date of sale:
- Gross selling price: \$
- State of Title Certificate\* for non-cash transactions & transfers



# Glossary

## **Adjusted Cost Base (ACB)**

The cost of an investment or a property. For property, the cost of major improvements not considered to be repairs and maintenance are added to the ACB. For investments, reinvested income is added to the ACB.

## **Administrator / Administratrix**

The person(s) appointed by a court to administer and distribute the estate of someone who dies without a will or where the executor named in the Will is unable or unwilling to act.

## **Annuity**

A series of regular payments, guaranteed for a fixed number of years or the lifetime of one or more individuals. The payments are received from an investment contract and consists of income (taxable) and principal (non-taxable).

## **Beneficiaries / Heirs**

Person(s) or entity that are entitled to receive estate trust assets and/or income earned on those assets.

## **Common-law (Relationship)**

A relationship where two people have been living together in a marriage-like relationship for at least one year.

## **Contesting of the Will**

The validity of the Will is challenged by those named in the Will or those who would potentially inherit from the Estate if the Will could be proven to be invalid.

## **Disclosure Documents - Statement of Assets, Liabilities & Distribution**

A document that lists the assets and liabilities of the Estate and how the Estate is to be distributed which is used to apply for Probate or Letters of Administration

## **Executor / Executrix**

A person designated in a Will to administer and distribute the estate in accordance with the terms of the Will.

## **Improvements**

Major expenses incurred which increase the value of the property. Improvements are not expenses incurred for the regular maintenance and upkeep of a property. For example, addition of patio, new bathroom, added garage, etc.

## **Intervivos Trust**

A trust created during a person's lifetime.

## **Joint Tenants**

An asset in which two or more people have a shared and equal ownership interest. Upon the death of a joint tenant owner, the deceased's share is rolled-over to the surviving joint tenants.

## **Letters of Probate / Letters of Administration**

A document provided by the court officially appointing a person as executor or administrator\* of an estate. Also referred to as "the Grant".

## **Long-term Disability**

A disability where minimal or no recovery is expected for 52 continuous weeks or longer.

## **Principal Residence**

A housing unit owned and ordinarily inhabited by an individual and designated as principal residence.

## **Private Corporation**

A corporation whose shares are not publicly traded.



# Glossary (con't)

## **Registered Annuity**

An annuity that was purchased using registered funds (ie. an RRSP or RRIF).

## **Separated**

When married or common-law spouses have ended their relationship (either by mutual agreement or under a court order).

## **Spousal or Common-law Partner Trust**

An inter vivos trust created for the benefit of an individual and/or a spouse.

## **State of Title Certificate**

A formal document that provides the details of a real estate ownership transfer or title change.

## **Statement of Adjustments**

A statement showing the exact amount to be paid on closing of a real estate transaction after adjustments (debits and credits) to the purchase price as set out in the agreement of purchase and sale

## **Tenants in Common**

A tenancy by two or more persons, in divided shares. At the death of one tenant, the property passes to his/her estate.

## **Wills Variation Claim**

A claim under the Wills Variation Act when the deceased has failed to make "adequate, just and equitable provision" for a spouse or child in their Will.