

Should I hire a corporate executor to manage my estate?

There are situations where hiring a professional to manage your estate is better than enlisting a loved one.

One of the most important aspects of creating an estate plan is choosing an executor, since that person will carry out your wishes after you're gone. While most people name a trusted family member or friend, there are situations where you may not want to bestow this responsibility on a loved one.

In many cases, that family member or friend may not be in the best state of mind after someone's death to take the task on. There is also the reality that they may not want to do the work—and there can be a lot of it if you have a complex estate. In light of these possibilities, you may want to consider hiring a professional instead.

Many people aren't familiar with the concept of a corporate executor. It's an impartial person, usually someone from a financial institution or financial advisory firm, who handles all the same things a family member would if they were the executor. They'll ensure people get their inheritances, manage assets until dispersed, maintain and pay household bills on a home or other property, and more. They may be able to deal with disputes between beneficiaries too.

The big difference between a corporate executor and a family member is that the former is a pro. They've done this before and know exactly what the family needs to do and when. They understand finances and may be able to



manage the estate's assets better than a loved one who has no money or business experience. Another major benefit of a corporate executor is that they are impartial and objective.

Given the huge time demands, it also ensures that, as they are employed in the role, they have the necessary availability and attention to devote to the situation.

Corporate executors do charge a fee, so not every estate should hire one. Here's how to know if a corporate executor is right for you.

Consider hiring a corporate executor when:

You have a high net worth

Larger estates could have more at stake—and often have more moving parts to deal with. Hiring a professional who can understand your entire financial picture and can help manage any potential tax-related issues could save you money in the long run.

You have specialized or complicated assets

You may want to bring someone in if you own your own business, collect antiques or art, have

assets abroad, or have complex investments or trusts that require professional expertise to dispose of or administer.

There's no suitable family member or friend

Suitable means someone who has the skills and time available to manage your estate—but also someone who lives near you. It's difficult for an executor to perform all the necessary duties from afar, and if they live in a different province or country, it can even create tax or administrative issues.

You have children from a previous marriage

The dynamics can get complicated when dealing with blended families, and they often create conflicts of interest when it comes to estate management. A corporate executor can keep the peace as an unbiased independent professional.

The executor needs support

You can also stipulate in your will that your estate should be handled by a corporate executor as backup in the case your named person cannot do the job when the time comes. You can also make it known to the executor that they can call on a professional as needed. In the latter scenario, a corporate executor could consult on the more complex aspects of the estate—it's a more affordable option that offers the best of both worlds.

How to choose a corporate executor:

Find out what they provide

Whether it's an independent firm or a trust arm of a bank or another financial institution, ask which specific estate services they provide to ensure they can meet your needs. Note that some may only take on clients with a minimum estate value of \$1 million.

Check their qualifications

Do your research and ask questions. How long has the firm been in business? What experience do they have overseeing estates? What's the staff size? Will there always be someone on the team available to handle your estate needs on a timely basis?

Compare costs

Fees can be a set rate or calculated as a percentage of the total value of the estate. For the latter, it may be a sliding scale that decreases with estate size (e.g., 5% on the first \$500,000 of the estate; 4% on the next \$500,000, etc.). Also be sure to ask if there are additional fees for any specialized services your estate might need, such as ongoing trust management.

Being an executor is a lot more complicated than most people think, so give careful consideration as to who should be in charge of your estate. If there's any doubt as to whether a family member is up for the task, then go with the professional who can make sure your assets get into the right hands.

Disclosure: Mawer Investment Management Ltd. provides this publication for informational purposes only and it is not and should not be construed as professional advice. The information contained in this publication is based on material believed to be reliable at the time of publication and Mawer Investment Management Ltd. cannot guarantee that the information is accurate or complete. Individuals should contact their account representative for professional advice regarding their personal circumstances and/or financial position. The comments included in this publication are not intended to be a definitive analysis of tax applicability or trust and estates law. The comments are general in nature and professional advice regarding an individual's particular tax position should be obtained in respect of any person's specific circumstances.