

Estate settlement

Key steps



Are you ready to start settling the estate? Find out what you need to do over the short, medium and long term.

Our advisors can assist you with every step of the process.



Make an appointment

Short term

Useful definitions: A person who may receive an inheritance is called a **beneficiary**.

An **heir** is a beneficiary who has accepted their inheritance.

1. Organizing the funeral

The executor can be mandated to take care of funeral arrangements. The deceased's will may contain information on their wishes. Funeral expenses can be covered by the estate or added to the estate debts.

What we can do for you

Depending on the situation and under certain conditions, a portion of the funds in the estate can be freed up to cover funeral expenses.

2. Obtaining the required documents

- › An attestation of death, a death certificate or a copy of the act of death
 - To be requested from the funeral home or from the *Directeur de l'état civil du Québec* ([online](#), [by mail](#) or [in person](#))
- › If necessary, a copy of the marriage or civil union contract
 - To be requested from the legal professional in front of whom the contract was signed (the [RDPRM](#) or the [Chambre des notaires](#) could help you with your research)
- › The will
 - To be requested from the [Chambre des notaires du Québec](#) and the [Barreau du Québec](#)
- › Search the Registers of Testamentary Dispositions and Mandates (Quebec only)

If you find a will that is not notarized, you'll have to have it verified by the courts or by a notary. If there is no will, a declaration of heredity will be required to officially designate the beneficiaries.

What we can do for you

We can take charge of contacting the appropriate parties and obtaining all the documents you need:

- › Death certificate
- › Copy of death certificate
- › Order a search in the Registers of Testamentary Dispositions and Mandates
- › Have an olographic testament or will verified before a witness

3. Taking inventory of the estate

Taking an inventory at death is a key step. Draw up a list of the deceased's assets, including a detailed description of each asset, its value and its condition. All debts must also be identified.

Consult the deceased's personal documents to identify:

- › Available assets (bank account balances, contents of safety deposit boxes, valuables, real estate, vehicles, etc.)
- › Payments due (life insurance, benefits, interest, dividends, etc.)
- › Assets that are not included in the estate such as jointly owned assets (Common Law provinces only)
- › Debts to be paid (credit cards, taxes, utilities, loans, etc.)
- › Specific bequests set out in the will

Contact the deceased's financial institutions to notify them of the death and get information on the banking products and insurance they held.

This inventory will help you determine whether the estate is solvent. At this stage, you need to estimate the estate's ability to assume mandatory expenses (e.g., paying taxes and debts) and expenses related to estate settlement (e.g., legal and accounting fees).

If the assets in the estate are not sufficient to cover all debts and bequests, you will need to draw up a full report, notify all interested parties and have the courts approve a payment arrangement.

4. Drafting a notice of closure of inventory

Once the inventory is completed, you will have to register a notice of closure of inventory in the [RDPRM](#) (Quebec only). This notice must also be published in a daily newspaper in the area of the deceased's last known address.

5. Notifying the beneficiaries

Identify the beneficiaries and contact them to inform them of the contents of the estate and the steps of the estate settlement process. Explain that they have the right to accept or refuse the inheritance:

- › Acceptance can be verbal or in writing and renders the beneficiary responsible for assets and liabilities.
- › A refusal is made by a notarial deed in minute or by a judicial declaration. It relieves the successor of any responsibility towards the succession.

At this step, it's important to present the inventory to the beneficiaries so they can make an informed decision.

6. Notifying organizations and service providers

All entities that dealt with the deceased must be notified. First, the federal and provincial governments. Next, if applicable, utility providers, the [Régie des rentes du Québec](#), the [Société de l'assurance automobile du Québec](#), the deceased's employer, their creditors, etc.

You should also cancel all contracts and subscriptions: leases, phone and internet services, social media accounts, online tools, etc. It may also be necessary to carry out a change of address or have mail forwarded.

7. Opening an estate account

To manage the estate, you'll need to close the deceased's bank accounts. We recommend opening an estate account to consolidate the available amount and pay any debts (whether predating the death or related to estate settlement).

For advice on managing the deceased's financial products and opening an estate account at National Bank, [talk to an advisor](#).

What we can do for you

We can list the deceased's assets at National Bank and transfer their assets held at other financial institutions. This service is free of charge.

8. Ensuring assets are secure

You are responsible for ensuring the assets in the estate are protected. This means you'll have to take the necessary actions to maintain them in good condition and place valuables in a safe location.

If the deceased was running a business, you must make sure operations continue as usual.

9. Partitioning family property

If the deceased was married or in civil union, you will have to partition their family property and dissolve the marriage or civil union. Consult a legal professional for advice on applicable provisions. You must complete this step before continuing with the estate settlement.

Medium term

10. Recovering amounts due

You're responsible for claiming any amounts due to the deceased, including pending interests, rents, debts, annuities, pension payments and benefits. Contact the deceased's employer and insurers and government programs (such as pension funds and plans) to see if any compensation needs to be paid to the estate.

You can also contact the OmbudService for Life & Health Insurance (OLHI) to verify if the deceased held a life insurance policy.

11. Preparing tax returns

You can prepare the deceased's tax returns or assign this mandate to an accountant.

You'll have to complete the T1, TP1, T3 and TP646 returns for previous years (if they were not already completed), the year of death and subsequent years, until the estate is closed.

You can then issue tax slips for the beneficiaries.

12. Obtaining approval to distribute assets

Before you can distribute assets to the beneficiaries, you must request a clearance certificate from the [Canada Revenue Agency](#) (CRA) and an authorization from [Revenu Québec](#), if the estate is being settled in Quebec.

13. Paying creditors and beneficiaries

Once you obtain the certificates authorizing the distribution of assets, you can pay the estate's debts and distribute specific bequests.

Long term

14. Drawing up a balance sheet for the estate

Notify the heirs of the assets remaining in the estate by drawing up a final balance sheet. You are responsible for drafting this document, which details the assets or liabilities remaining in the estate after debts have been paid and specific bequests have been distributed.

When the estate has several remaining heirs, we strongly recommend appending a partition plan to the final balance sheet. This gives heirs all the information they need to sign their release.

15. Obtaining a release from the heirs

By signing the release you have drafted, the heirs confirm that they accept how you administered the estate and distributed the assets, and release you from your responsibility as executor of the estate.

In the event of a dispute, the courts may need to intervene.

If there are outstanding bequests, you must obtain a release signed by all heirs before distributing them.

16. Carrying out final distribution to heirs

Once you've received the final clearance certificate from the CRA, you can distribute the balance due to the beneficiaries.

If the will provides for it, you may need to set up a post-settlement management plan (extended administration, trust or usufruct) to transfer and protect the assets in the estate.

17. Publishing the notice of closure of account

The notice of closure of the estate account officially terminates your administration of the estate. The notice must be published in the appropriate registry.

18. Closing the estate account

If you opened an estate account, you can close it once the notice of closure of account is published. A reasonable timeframe for closing the account is one to two years.



For more information:

- › Visit nbc.ca/estate
- › [Meet with an advisor](#)

