



Contents

The Role of the Executor
Page 1

Will This Affect My Taxes?
What's New at
McIntyre & Associates
CRA's Prescribed Interest Rates
Page 2

To learn more about
McIntyre & Associates, visit us
online at: www.mcintyreca.com

Questions? Call (613) 726-7788
and we will be happy to
address any of your questions.

The Role of the Executor

When a loved one passes away, there are some common steps that must be taken to ensure that the administration of their estate is handled as smoothly as possible.

The first step is to identify and appoint an executor(s). The executor's job is to conclude the affairs of the deceased and to distribute the assets in accordance with the will.

The executor is the only legal representative of the Estate. Without the expressed authorization of the executor, none of the decisions (such as the transfer of funds) or paperwork is final.

Typically the executor is named in the will, but it is up to that individual named to accept the position. If the individual declines and no one else is named in the will, the individual who is eventually selected must apply to the appropriate court in order to become the executor.

Once the executor is chosen, concluding the affairs of the deceased begins with paying of the debts and making all appropriate tax filings.

The final personal tax return is due six months from the date of death or the regular personal income tax deadline, whichever is later.

The executor may be responsible for the tax liability, therefore it is a good idea to at least obtain an estimate of the liability before distributing any assets.

After the tax return has been assessed and the liability paid, the executor should apply for a clearance certificate. The certificate ensures that the executor is not liable for any additional taxes should there be a reassessment or adjustment to the deceased's returns.

The executor should gather a list of assets owned at the time of death. This list is used to determine the probate fees, which are based on the total value of the estate (though some items can be made exempt from probate with appropriate planning).

Probate is the validation by the court that the document is the deceased's last will. Fees vary by province. In Ontario, the fee is \$250 + 1.5% of the value of the estate over \$50,000. Most financial institutions will not give the executor access to assets until they receive a copy of the probated will.

If the assets of the Estate earn income from the date of death to the date of distribution, that income must be reported in an Estate Trust return. This return is a separate tax return from the final personal income tax return.

Once the assets have been distributed, the Estate can be wound up. A final trust return must be filed. Much like the personal tax return, the executor should apply for a clearance certificate to be free of potential liabilities as a result of an adjustment or reassessment. ■

Regular Office Hours

Our office is open:
Monday to Friday
8:30 am to 4:30 pm

Our client drop box is open:
Monday to Friday
7:00 am to 6:00 pm

Will This Affect My Taxes?

Checking in with your accountant before making investment or purchase decisions

There are many investment and purchase decisions that can have an impact on personal or corporate income taxes. That is why it is a good idea to consult your accountant before you make any major financial decisions.

For example, purchasing a vehicle can be done personally or through a business and the optimal solution depends on your personal circumstances. Without speaking to your accountant first, you could end up being taxed for using your vehicle because of a taxable benefit.

Contributing to an RRSP without knowing your limit could result in an excess contribution. Fixing an excess contribution and removing the funds involves a lot of paperwork. If you want to return the funds without income tax withheld, there are a series of elections that must be filed with CRA.

These examples represent two of many scenarios that could result in having to pay additional personal or corporate income taxes. Checking in with your accountant ahead of time is almost always less effort than fixing it after the fact. ■

What's New at McIntyre & Associates

McIntyre & Associates would like to welcome Susan Withers to our team. Susan is working in the administration group and brings with her a wealth of knowledge and valuable experience.

On August 18, Larry Hasson competed at the North American Ironman Championships held in Mont Tremblant, Quebec. Larry emerged second overall in the swim leg and placed in the top 5% in a field of 2,300 athletes.

On September 7, Jim McIntyre and over 800 other riders took part in the 100 km bike tour along the Rideau River. This year's ride raised over \$2 million for cancer research at the Ottawa Hospital

Research Institute. Our staff would like to thank Jim for supporting such a great cause.

Mike Nazarov has completed the first year of a three year tax program with the Chartered Professional Accountants of Ontario. Upon completion of the in-depth tax course Mike will have gained the additional knowledge to become an experienced tax specialist.

On October 9, our staff enjoyed the Westboro Urban Scavenger Quest in Ottawa. Teams spent time solving clues and puzzles while on the hunt for murals in Westboro and getting to know the city in which we live.

CRA's Prescribed Interest Rates

The prescribed interest rates for the fourth quarter of 2013 are as follows:

- 2% to calculate a deemed interest benefit on subsidized employee and shareholder loans;
- 2% on refunds of income tax overpayments;
- 4% on refunds of non-corporate income tax overpayments; and
- 6% on payments of overdue income taxes, insufficient income tax instalments, unremitted employee source deductions, CPP contributions or EI premiums, and unpaid penalties.

These rates are in effect from:
October 1, 2013 to
December 31, 2013.

Has your contact information changed?

If your contact information has changed recently, please let us know.

egriffin@mcintyreca.com

McIntyre & Associates Professional Corporation

The opinions and advice in this newsletter are provided for the general guidance and benefit of McIntyre & Associates' clients, based on information that we believe to be accurate. We cannot guarantee its accuracy or completeness for individual circumstances. While we strive to provide reliable material herein, we cannot account for all industry conditions and legislative changes that occur. Should you have any questions or concerns regarding the contents of this newsletter, please contact us.

Copyright ©2013 McIntyre & Associates. All rights reserved.

McIntyre & Associates
Professional Corporation

- 200 – 900 Morrison Drive
Ottawa, ON
K2H 8K7
- (613) 726-7788
- general@mcintyreca.com
- www.mcintyreca.com