

Executors and tax returns

One of an executor and trustee's duties is to complete and file income tax returns for the deceased and for the estate and/or ongoing testamentary trusts. This can be overwhelming and the support of professionals is recommended. Concentra Trust welcomes the opportunity to assist.

The Canada Revenue Agency ("CRA") requests that notification happen as soon as is practical. The executor can call the CRA at 1-800-959-8281 or complete this [form](#) and forward it to a local tax services office or centre. To verify your authority as the legal representative, the CRA will require the following information:

- death certificate,
- deceased's social insurance number,
- copy of the Will or letters probate/letters of administration, and
- new mailing address for the estate, if applicable.

The deceased's final return

The deceased's final return, often referred to as the terminal return or T1 to Date of Death, will include all of the deceased's income from January 1 of the year of death, up to and including the date of death. Filing deadlines depend on the date of death:

- If the death occurred between January 1 and October 31 inclusive, the due date for the final return is April 30 of the following year.
- If the death occurred between November 1 and December 31 inclusive, the due date for the final return is 6 months after the date of death.

Rights or things return

Rights or things are amounts that had been earned but not been paid to the deceased at the time of their death and that, had the person not died, would have been included in their income when received. An example is dividends that were declared but not paid until after death. Rights or things can come from employment and other sources.

T3 Statement of Trust Income

Estates, like individuals, are required to file a T3 Return to report income and while the T1 terminal returns report income up to date of

death, the T3 Return reports all income after death. Although not all estates will be required to file a T3 Return.

An important step when filing a T3 Return is the election of the estate as a graduated rate estate ("GRE"). An estate is eligible if it arose as a consequence of the individual's death and can exist for the 36 months following death. The estate must designate itself as a GRE, in the T3 Return for the first taxation year.

The annual T3 Return must be filed within 90 days of the trust's year end.

Upon the estate administration being finalized the final T3 return and payment of any balance owing is due no later than 90 days after the winding up of the estate.

Clearance Certificate

The final step is to apply for a Clearance Certificate. A clearance certificate confirms that the estate has paid all amounts of tax, interest and penalties it owed at the time the certificate was issued and lets the executor distribute assets without the risk of being personally responsible for amounts the deceased, estate, trust or corporation might owe the CRA.

Have Questions?

Contact your Concentra Trust estate specialists at 1-800-788-6311 or executorease@concentra.ca. Concentra Trust has been providing estate and trust expertise to Canadians for over 65 years. We offer estate and trust solutions for all ages and all asset values and complexities. We administer powers of attorney, estates and trusts from clients across Canada. We have expertise with straightforward situations and with specialized and complex scenarios. Our fee structure emphasizes fairness and accessibility.

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