



PEACE HILLS TRUST

PEACE HILLS TRUST COMPANY
ESTATE ACCOUNTS

Estate Planning Workshop – March 17, 2015



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Deceased Customers

General

- Peace Hills Trust may be required to attend to the administration/release of the assets of a deceased customer. Peace Hills Trust's responsibility and legal requirements
- There are three different documents by which a person may indicate the disposition of his/her property after death:





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a) Formal Will: is a document signed by the person making it (called the testator or, if female, testatrix). The signature must be made or acknowledged in the presence of two or more witnesses present at the same time, and at least two of them must sign as witnesses in the presence of the testator.

b) Codicil: (e.g.: a change/addition to a Will is a separate addition/amendment to a particular section of the Will usually prepared when the testator wishes to alter an existing Will but does not wish to make a new one. It must be signed by the testator and witnessed by two witnesses. The Will and Codicil(s) are read together to carry out the testators intentions.

c) Holograph Will: Is a Will which must be entirely in the handwriting of the testator and signed by him/her. No witnesses are necessary (valid in all provinces except British Columbia, Nova Scotia and Prince Edward Island).





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Opening Estate Accounts

- There is no legal requirement to convert the deceased depositor's account (flagged as deceased) to an account named "Estate of.". The decision as to when such action is taken or not taken rests entirely with the executor/administrator.
- The executor/administrator may decide to carry on an estate account rather than disbursing the funds immediately. Provided that documentation is complete, the account may then be closed to an estate account. The executor/administrator must sign the debit to close out the deceased customer's account.
 - a) create a new customer form to read as Estate of..





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- b) The account name should include the name of the executor/administrator and the name of the deceased (e.g.: if John Smith is the executor of Pamela Brill's estate, then the account name would be John Smith, executor of the estate of Pamela Brill with John Smith's signature on the signature card).
- If an account is opened in the name of the Estate of..., a new account with a different account number from the one flagged as deceased should be opened as this provides a clearer definition of responsibility (e.g.: account documentation, audit trail).
- The new account can operate with normal operating documents along with the Notarial Copy of the Probate of the Will (Letters Probate) or the Notarial Copy of Letters of Administration. Only the executor/administrator's personal identification, if unknown to the Regional Office, is required to open estate accounts. All estate accounts, when opened must have the executor/administrator's signature on the account signature card.





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➤ It may occur that prior to the death, a deceased customer had been committed to a mental institution or was declared mentally incompetent. By law, all the assets of such persons are automatically vested in the Public Trustee or to a special “Committee” when one is appointed by the Court. In these cases until the Notarial Copy of Probate of the Will or Letters of Administration are granted and notice in writing is served upon the Committee or the Public Trustee, they,

a) continue to have the rights, powers, duties and privileges that they would have had if the patient had not died; and

b) have the powers of an Executor of the Last Will and Testament or of the Administrator of the Estate of the patient.





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Account Identification Procedures

- As soon as the Peace Hills Trust becomes aware through any source of the death of a depositor, consider the account a Deceased Depositors Account.

- Obtain the following from the deceased's executor, administrator and/or family member.
 - a. Full name and address of deceased;
 - b. Date of death, along with the death certificate or funeral director's statement of death (if possible);
 - c. Known Peace Hills Trust accounts/properties. (Examples are ATM Debit Card, Safety Deposit Box, etc.);
 - d. Inquire in the system and review other Regional Office records to determine the balances of accounts and other assets held, noting if the assets were held by the deceased alone, jointly with another person or in the name of a firm of which the deceased was the sole proprietor.





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- Maintain a separate file for each deceased customer which contains the following:
 - a) Notarial Copy of Letters Probate/Letters of Administration;
 - b) Copies of all Regional Office generated entries to the account;
 - c) All correspondence such as Regional Office, estate, lawyers, Corporate Office and other related parties;
 - d) Death Certificate;
 - e) Copies of all Official Cheques used to pay funeral/burial expenses;
 - f) Declaration of Transmission





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➤ Flag all records to indicate the death of the customer:

a) on the customer form change the status field to frozen and update the form;

b) on the customer form enter the customer's date of death, and update the form;

c) Make a notation on the signature card that the customer is deceased and include date of death;

d) Check for any other accounts, GIC's, RRSP's, Loans, Safety Deposit Boxes, Safekeeping, ABM Cash Card, etc. and deal with as follows:

ATM Debit Card

- Recover if possible and cut up

- Change card status on the system





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- Safekeeping - Indicate on the Safekeeping agreement, card, etc., the customer is deceased, date of death and the date the was notified. Regional Office

- Safety Deposit Box - Indicate on access card that the customer is deceased, date of death and the date Peace Hills Trust was notified.

 - Seal the box, preferably with a wafer seal overlapped by red cellulose tape.

 - Finalize documentation, as applicable, before releasing contents.





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Documentation Requirements

- Peace Hills Trust's position in regard to deceased depositors is to assist the bereaved family/representative in the smooth transition of the assets by the executor/administrator to the beneficiary(ies) with minimum hindrance and within the limits permissible by legislation.

- Generally, funds may be released as stated in the following conditions:
 - a) Emergency Funds up to \$6,000

Release emergency funds to the executor or administrator for funeral expenses, rent, utilities, etc. Peace Hills Trust discretion upon receipt of an authenticated copy of the death certificate or funeral directors statement of death.





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- b) Joint accounts or other joint properties payable to anyone or the survivor (joint tenancy with right of survivorship) e.g. anyone to sign.

Permit ongoing account operation by the survivor upon receipt of the survivorship agreement or satisfactory proof that a right of survivorship has been established.

Close the joint account and open a new account as soon as it is convenient.

Change the account name to the survivor(s) name(s) only upon receipt of an authenticated copy of the official death certificate or funeral director's statement of death.





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c) Small Balances up to \$5,000

Peace Hills Trust will release funds after carefully evaluating each estate on its own merits.

Obtain: If there is a Will – where it is not intended to probate the Will:

- Sworn Declaration of Transmission for use WITHOUT Letters Probate or Administration; Letters of
- An authenticated copy/certificate of the Will (and Codicil(s) if any).
- An authenticated copy of the death certificate or funeral Director's Statement of Death.
- Bond of Indemnity for use WITHOUT Letters Probate or Letters of Administration for the amount involved, signed by the executor named in the Will/Codicil(s).





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c) Continued:

Obtain: if there is no Will – Where it is not intended to apply for Letters of Administration:

Sworn Declaration of Transmission for use WITHOUT Letters Probate or Letters of Administration.

If no Will, at least two persons fully responsible for the money.

If in doubt (e.g., large amounts involved), contact in writing, the Manager, Branch Operations including details and recommendations.

There is no estate tax/or Succession duty in Alberta or Manitoba.





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c) Continued:

An authenticated copy of an official death certificate or the funeral director's statement of death;

Bond of Indemnity for use WITHOUT Letters Probate or Letters of Administration for the amount involved signed by the person(s) to whom the property is to be released if considered fully responsible for the money/property.

Withdrawal from joint accounts or other joint properties, tenants in common (ALL TO SIGN), must be signed by the survivor(s) before release of the funds to the beneficiary claiming them.





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d) Modest balances between \$5,000 and \$25,999

Where it is not intended to Apply for Letters Probate or Letters of Administration
Accounts and other properties in a single name

or

Individual doing business in a firm name

or

Joint accounts or other joint properties (as tenants in common, e.g., all to sign)

This action is taken to obtain/retain the customer's good will and should only be
considered where:

- The Regional Office knew the deceased well; AND
- The executor and beneficiaries or legal heirs (in the case of intestacy) are known and are good customers of Peace Hills Trust and are considered fully responsible for the amount involved; AND
- The amount of deposit is likely the only asset of consequence of the estate.
- Documentation requirements are the same as outlined for Small Balances.





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➤ For Accounts and other properties over \$25,000 or where the Small Balance of Modest balance facility is not being invoked Peace Hills Trust proceeds as follows:

a) Where there is a Probated Will – Testate Successions

Accounts and other property in a single name

or

Individual doing business in a firm name

or

Joint accounts or other properties as tenants in common (i.e., all to sign).

Obtain:

An authenticated copy of Letters Probate;

Declaration of Transmission for use WITH Letters Probate completed by the estate executor and duly attested before an appropriate (notary public/judge, etc.) officer as indicated on the form.





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a) Continued...

Death certificate or Funeral Director' Statement of Death.

Copy of Will.

On Receipt:

Permit operation, transfer of redemption/closing of the
executor(s).

account/property by the





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b) Where there is no Will – Intestate Successions

Accounts and other property in a single name

or

Individual doing business in a firm name

or

Joint accounts or other properties as tenants in common (e.g., all to sign).

Obtain:

Declaration of Transmission for use WITH Letters of Administration completed by
attested before an appropriate notary public/solicitor, etc. Officer as indicated on the form;

the estate administrator and duly

An authenticated copy of Letters Administration.

Copy of Death certificate or Funeral Directors Statement of Death.

On receipt:

Permit operation, transfer or redemption/closing of the account/property by the

administrator.





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Deposits

- For deposits (e.g.: cheques payable to the deceased) received after notification of death: We proceed as follows;
 - a) Cease to accept cheques and other payments for deposit;
 - b) Return these items marked “Payee Deceased. Please re-issue payment in the name of Estate of _____”.
- Government of Canada cheques: if a Letter of Undertaking is on file:
 - a) Comply strictly with terms of the agreement;
 - b) Direct Deposits for cheques received from the Government for Direct Deposit, where the beneficiary is the recipient of a regular payment from the Government of Canada (e.g.: Old Age Security, Canada Pension, Superannuation Annuity);





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➤ In all other instances:

- a) Accept all Government of Canada cheques payable to the deceased on a Collection Basis Only;
- b) Forward all items back to Government of Canada:

Request they re-issue the cheque(s) in the name of the Estate of_____.





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- Cheques or other property payable to one of the joint account holders (e.g.: anyone to sign).
 - a) Cease to accept items payable to the deceased and return them to the sender requesting re-issuance to the “the Estate of _____“.
 - b) Continue to accept items to the other parties to the joint agreement.

- Cheques or payments related to dividends:
 - a) Accept for deposit into the estate account.

- Payments received in favour of any deceased person, after notice of death has been received will be returned to the payor.

- Payments received in favour of a survivor of a joint account will be accepted by the receiving member.





Withdrawals

➤ For withdrawals received after notification of death, proceed as follows:

a) Cease to pay or certify:

- cheques;

- acceptances;

- notes;

- other orders (e.g. standing order)

- items signed by an attorney (e.g. person(s) authorized under Power of Attorney becomes invalid upon the death of the principal).

Attorney as the Power of

b) Return all withdrawals, as listed above with the notation:

“Drawer (acceptor or promissor) deceased. Claim against Estate of _____”.





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➤ Exceptions:

- a) Emergency Funds;
- b) Cheques/payments for small amounts issued prior to death.
- c) Cheques issued by family member(s), executor/administrator after the customer's death.

If for everyday expenses : (Peace Hills Trust approval)

- accept cheques issued by the deceased for everyday expenses (e.g.: rent, utilities, etc.) up to a combined total of \$3,000.

Funeral expenses .(Peace Hills Trust approval)

- ensure sufficient funds remain on deposit to chargeback items that may be returned (e.g.: prior deposits). If considered necessary for additional protection, obtain a Bond of Indemnity and an authenticated copy of the death certificate or the funeral director's statement of death.





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- d) joint accounts or other joint properties payable to anyone or the survivor (e.g.: anyone to sign).
- Cease to pay or certify only those items drawn by the deceased.
 - Continue to pay or certify items drawn by the other parties to the joint agreement.





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Business Accounts

- The death of a signing officer for a corporation will not affect the operation of business accounts/properties as there are usually other officers to continue to provide valid instructions for the business.
- All partnerships are dissolved by the death of one of the partners, unless there is an express agreement to the contrary. If the partnership is dissolved, the remaining partners only have the authority to wind down the affairs of the partnership, settle outstanding debts and contracts to pay out to each partner his share of the partnership assets.
- The executor/administrator will receive the assets which are attributable to the deceased from the remaining partners.





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Registered Deposit Plans

- Locate the customer's contract number and pull RRSP file. Indicate on file the customer is deceased, date of death and the date the Regional Office was notified.

- Refer to Registered Retirement Savings Plans (RRSP) Manual under – Death for detailed procedures.





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GIC's

- Take an inquiry to determine accounts.
- Review each identified GIC to determine the form of registration.
- If registration is in joint names with rights of survivorship, on receipt of death certificate or funeral director's statement of death, redeem or transfer the GIC to the survivor's name.
- Refer to the Guaranteed Investment Certificates (GIC's) under Deceased Depositors for detailed instructions.





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Indian Act

- Jurisdiction/authority for deceased Registered (Status) Indians (who live on the reserve) the estate is vested EXCLUSIVELY in the Department of Indian Affairs and Northern Development.

Appointment of Administrator; or

Approval of Will; or

Approval of Will and Appointment of Administration with Will Annexed.

- Obtain documents required for testate successions (Declaration of Transmission). An Appointment of Administrator is the same as Letters of Administration and an Approval of Will is the same as Letters Probate.





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- Upon request from the Department of Indian Affairs and Northern Development, release the account balance and loan account information.



Questions?



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Building the Future with Pride and Tradition