



Reuter Insight

August 2013

Estate Planning Advantages of Your Company Retirement Plan

For the last few months we have described some of the many advantages of participation in your company retirement plan, including the potential protection of your Group Plan assets from creditors and the elimination of probate fees as a result of the proper beneficiary designation. Additional information regarding the probate fee process is provided below.

What is Probate?

Probate is a term that refers to the legal process of confirming that a will is valid. A Grant of Probate is required to confirm an executor as the legal representative of the estate so that the executor can act upon the terms of the will. In order to probate a will, the executor is required to complete a series of documents that must be filed with the applicable court, providing information about the estate and will. For example, a Clearance Certificate is obtained from Canada Revenue Agency (CRA) to ensure that the will being referenced is the last one on record.

When is Probate Required?

Probate is **not** applied on assets that do not go through the estate. This includes assets from a Group Retirement Plan with an insurance company with a named beneficiary, as these assets are transferred to the beneficiary directly. It is also not required for assets held in joint names. Lastly, probate is not required where no will exists.

Probate fees/estate administration tax are payable by the deceased's estate, calculated on the value of all property of the estate belonging to the deceased at the time of death. The probate fee calculation will vary by province.

We recommend that you seek the advice of a legal professional to review your will and estate plan. However, if you wish to discuss your beneficiary designation for your Group Retirement plan, you may contact Reuter Benefits via telephone at 1-800-666-0142 or by email at retire@reuterbenefits.com.