

TABLE OF CONTENTS

PART I: PLANNING FOR DEATH AND INCAPACITY

CHAPTER 1

INTRODUCTION TO PLANNING FOR DEATH AND INCAPACITY

1	Planning for death and incapacity.....	1-2
2	Introduction to the <i>Wills and Succession Act</i> .....	1-3
2.1	Related reforms .....	1-4
3	Interpretation and application of the <i>Wills and Succession Act</i> .....	1-5
3.1	Definitions .....	1-5
3.2	Interpretation.....	1-8
4	Survivorship .....	1-9
5	Advances and the abolition of presumptions .....	1-11
5.1	Advances .....	1-11
5.2	Presumptions and doctrines .....	1-12
6	Regulations .....	1-14

CHAPTER 2

UNDERSTANDING THE LEGAL REQUIREMENTS FOR WILLS

1	Introduction to wills .....	2-2
1.1	A brief history of wills and the “subjective intention” approach .....	2-2
1.2	The rules governing creating a will.....	2-4
1.3	Legal effect of wills .....	2-4
2	Formalities for making a will .....	2-5
2.1	Capacity .....	2-5
2.2	In writing and signed.....	2-8
2.3	The signature.....	2-10
2.4	The witnesses.....	2-13
2.5	The military.....	2-14
2.6	Gifts to a witness.....	2-15
3	Alteration, revocation, and revival .....	2-15

**ALBERTA WILLS AND ESTATES PRACTICE MANUAL**

3.1 Alteration ..... 2-15

3.2 Revocation..... 2-16

3.3 Effect of marriage or adult interdependent relationship..... 2-17

3.4 Revival ..... 2-18

3.5 Gifts to an ex-spouse or former adult interdependent partner..... 2-19

4 Interpreting wills ..... 2-20

4.1 Rules of interpretation ..... 2-20

4.2 Children, descendants, issues, heirs, and kin ..... 2-24

4.3 Rules for lapse and other failed gifts..... 2-25

5 Court orders and validating wills ..... 2-26

5.1 Clear and convincing evidence of a testator’s intentions ..... 2-27

5.2 Validating wills that do not comply with formalities..... 2-29

5.3 Validating alterations that do not comply with formalities ..... 2-30

5.4 Rectifying wills by adding or deleting characters, words, or provisions ..... 2-32

5.5 Validating gifts to witnesses that would otherwise be void..... 2-33

**CHAPTER 3**

**INTERVIEWING AND ADVISING A CLIENT SEEKING A WILL**

1 Interviewing and advising a client seeking a will ..... 3-2

2 Property excluded from an estate ..... 3-2

2.1 Designated beneficiaries..... 3-2

2.2 Advancement and transfers into joint names..... 3-4

3 Duties and responsibilities of an estate lawyer ..... 3-6

3.1 Lawyers’ duties owed to clients ..... 3-7

3.2 Lawyers’ duties owed to beneficiaries..... 3-16

4 Use of questionnaires and checklists ..... 3-16

4.1 Background information about the testator..... 3-17

5 Assisting a client in selecting appropriate persons ..... 3-19

5.1 Personal representatives..... 3-19

5.2 Guardians ..... 3-22

5.3 Beneficiaries..... 3-23

6 Limits on testamentary freedom ..... 3-24

6.1 Rights of spouses and family property claims..... 3-25

6.2	Rights of spouses and partners to family maintenance and support .....	3-27
7	Funeral and burial arrangements and donation of organs.....	3-28
8	Tax issues.....	3-28
8.1	Estate tax.....	3-29
8.2	Capital gains tax.....	3-29
8.3	Principal residence.....	3-29
8.4	Spousal rollover.....	3-30
8.5	Spousal trust rollover.....	3-30
8.6	Farm rollover .....	3-31
8.7	Capital gains exemption .....	3-31
8.8	Registered retirement savings plans and registered retirement income funds ....	3-31
9	Safekeeping wills and instructions to and from a client.....	3-32
10	Appendix list.....	3-32

## CHAPTER 4

### DRAFTING A WILL

1	Drafting wills .....	4-4
1.1	Plain language drafting.....	4-4
2	Components of a will .....	4-4
2.1	Statement of intention and name.....	4-5
2.2	Contemplation of marriage.....	4-6
2.3	Revocation.....	4-6
2.4	Appointment of a personal representative/executor .....	4-7
2.5	General clauses relating to personal representatives.....	4-9
2.6	Transmission .....	4-10
2.7	Debt payment.....	4-10
3	Dispositive clauses of specific and personal property .....	4-12
3.1	Household goods and personal effects.....	4-12
3.2	Memorandum of household goods and personal effects .....	4-13
3.3	Specific gifts .....	4-14
3.4	Gifts to charities.....	4-15
3.5	Gifts paid only once.....	4-17
3.6	Residuary gifts.....	4-18

3.7	Trusts .....	4-21
3.8	Family disaster clause .....	4-25
4	Advances, set-offs, and loans .....	4-26
5	Family maintenance and support declaration .....	4-27
6	Administrative provisions and specific powers .....	4-29
7	Standard powers of the personal representative .....	4-29
7.1	Power to sell or retain .....	4-30
7.2	Power to distribute property .....	4-30
7.3	Power to invest.....	4-31
7.4	Power to delegate .....	4-32
7.5	Power to employ professional advisors and agents .....	4-32
7.6	Power to pay taxes .....	4-33
8	Other specific powers of the personal representative .....	4-33
8.1	Power to deal with land and buildings.....	4-33
8.2	Power to deal with a business.....	4-34
8.3	Power to access digital assets .....	4-34
8.4	Power to litigate.....	4-35
8.5	Power to settle claims.....	4-36
9	Executor’s compensation and exoneration.....	4-36
9.1	Setting the fee .....	4-36
9.2	Professional charging clause .....	4-37
9.3	General exoneration clause .....	4-38
10	Survivorship .....	4-39
11	<i>In terrorem</i> or forfeiture clauses.....	4-40
12	Joint assets .....	4-41
13	Beneficiary designations .....	4-42
14	Interpretation clauses .....	4-43
14.1	Definitions .....	4-43
14.2	Interpretation.....	4-43
14.3	Common words and phrases.....	4-44
15	Guardians.....	4-45
15.1	Appointment.....	4-45
15.2	Payments.....	4-46
15.3	Renovations.....	4-47
16	Burial, cremation, and funeral instructions .....	4-47

17	Attestation clause .....	4-48
18	Affidavit of signature to a will.....	4-49
19	Precedents .....	4-50
20	Some other considerations .....	4-51
20.1	“Absolutely” .....	4-51
20.2	Beneficiaries.....	4-51
20.3	Lapses/gifts over .....	4-52
20.4	Ademption .....	4-53
20.5	Difficult beneficiaries .....	4-54
20.6	Gifts to minors.....	4-54
20.7	Gifts to social assistance recipients .....	4-55
20.8	Protecting disability benefits .....	4-56
20.9	Mutual wills .....	4-56
20.10	Codicils.....	4-57
20.11	Holograph and home-made wills .....	4-57
21	Appendix list.....	4-58

## CHAPTER 5

### UNDERSTANDING FAMILY MAINTENANCE AND SUPPORT

1	Family maintenance and support.....	5-2
2	History of family maintenance and support.....	5-2
3	Availability of relief.....	5-3
3.1	Adequate provision for proper maintenance and support .....	5-3
3.2	<i>Tataryn v Tataryn Estate</i> .....	5-4
3.3	Statutory and other bases for support obligations .....	5-4
3.4	Rights of spouses and adult interdependent partners.....	5-6
4	Legal and moral obligations.....	5-6
4.1	Legal obligations generally .....	5-7
4.2	Legal obligations to spouses.....	5-8
4.3	Legal obligations to adult interdependent partners .....	5-9
4.4	Legal obligations to children .....	5-10
4.5	Moral obligations.....	5-11
5	Qualifying for family maintenance and support.....	5-12

ALBERTA WILLS AND ESTATES PRACTICE MANUAL

5.1 Categories of dependants ..... 5-12

5.2 Factors considered on application for relief..... 5-23

5.3 Practice points relating to “family members” ..... 5-23

6 Introduction to temporary possession of a family home..... 5-24

7 Definition of a “family home” ..... 5-25

8 The right to temporary possession of a home and household goods ..... 5-25

9 Obligations and rights of the estate ..... 5-27

10 Obligations and rights of a surviving spouse and effect of an order..... 5-27

11 Temporary possession and the *Family Property Act* ..... 5-29

CHAPTER 6

ADULT INTERDEPENDENT RELATIONSHIPS

1 Who is an adult interdependent partner? ..... 6-2

1.1 Required elements..... 6-2

1.2 Relationship of interdependence..... 6-2

1.3 Terminating a relationship of interdependence..... 6-3

1.4 The adult interdependent partner agreement ..... 6-4

1.5 Onus of proof..... 6-4

2 Determining if someone is an adult interdependent partner ..... 6-4

3 The impact of the *Adult Interdependent Relationships Act* on estate administration..... 6-5

3.1 The *Surrogate Rules* ..... 6-5

3.2 The *Wills and Successions Act*..... 6-7

3.3 The *Estate Administration Act*..... 6-8

3.4 The *Dower Act* and the *Family Property Act*..... 6-8

3.5 Support obligations under the *Family Law Act* ..... 6-9

4 Appendix list..... 6-9

CHAPTER 7

ENDURING POWER OF ATTORNEY

1 Powers of attorney at common law ..... 7-2

2 Enduring powers of attorney ..... 7-2

ALBERTA WILLS AND ESTATES PRACTICE MANUAL

2.1 Requirements for a valid enduring power of attorney ..... 7-3  
2.2 Types of enduring powers of attorney..... 7-4  
3 Determining capacity..... 7-4  
3.1 Test for necessary capacity to sign an enduring power of attorney ..... 7-5  
3.2 Privacy issues ..... 7-6  
4 Authority of attorney ..... 7-7  
5 Powers of attorney and trusts..... 7-9  
6 Terminating an attorney’s power ..... 7-9  
7 Applying for advice and direction..... 7-10  
8 Accounting..... 7-10  
9 Characterizing an attorney’s role..... 7-10  
10 Compensating an attorney..... 7-11  
11 Form of enduring power of attorney ..... 7-11  
12 Assets in other jurisdictions ..... 7-11  
13 Appendix list..... 7-12

CHAPTER 8

PERSONAL DIRECTIVES

1 Personal directives at common law..... 8-2  
2 Personal directives ..... 8-2  
2.1 Requirements for a valid personal directive ..... 8-3  
3 The test for capacity to sign a personal directive ..... 8-4  
3.1 Determining capacity ..... 8-4  
4 Content of personal directives ..... 8-5  
5 Bringing a personal directive into effect ..... 8-6  
6 When a personal directive ceases to have effect..... 8-8  
6.1 Revoking a personal directive ..... 8-8  
7 Agents’ duties, authority, and limitations on authority..... 8-8  
8 Compensating an agent ..... 8-10  
9 Service providers ..... 8-10  
10 Public guardian ..... 8-11  
11 Court review ..... 8-11  
12 Agents’ liability and protections..... 8-12

13	Forms and technical rules.....	8-12
14	Other jurisdictions.....	8-13
15	Appendix list.....	8-13

CHAPTER 9

**ADULT GUARDIANSHIP AND TRUSTEESHIP ACT**

1	Introduction to <i>Adult Guardianship and Trusteeship Act</i> .....	9-3
	1.1 “Capacity” defined .....	9-4
	1.2 Jurisdiction.....	9-5
	1.3 Types of orders.....	9-5
2	Help with decision-making on personal matters .....	9-6
	2.1 Supported decision-making.....	9-6
	2.2 Co-decision-makers.....	9-7
3	Guardians.....	9-10
	3.1 Guardianship orders .....	9-12
	3.2 Review of guardianship orders.....	9-13
	3.3 Who may be appointed as a guardian .....	9-13
	3.4 Guardian compensation .....	9-14
4	Procedures for specific circumstances .....	9-14
	4.1 Guardianship orders granted in urgent situations.....	9-14
	4.2 Urgent health-related decisions .....	9-14
	4.3 Emergency health care .....	9-16
5	Trusteeship .....	9-16
	5.1 Threshold test for trusteeship order .....	9-17
	5.2 Who may be a trustee.....	9-18
	5.3 Trustees’ authority and responsibilities.....	9-19
	5.4 Ability to make gifts.....	9-21
	5.5 Trusteeship plans.....	9-21
	5.6 Wills and testamentary dispositions.....	9-22
	5.7 Trustee compensation .....	9-22
	5.8 Review of trusteeship orders.....	9-23
	5.9 Accounting requirements .....	9-23
	5.10 When a trustee dies or loses capacity.....	9-24



5.11	Death of a represented adult .....	9-24
6	Access to and use of personal information.....	9-24
6.1	Guardians .....	9-24
6.2	Trustees .....	9-25
7	Transitional provisions .....	9-26
8	Interested persons and conflicts of interest.....	9-26
9	Application for appointment/review of order.....	9-27
9.1	Applications .....	9-27
9.2	Review applications .....	9-27
9.3	Review officer .....	9-28
9.4	Documents .....	9-29
10	Applications to examine and approve accounts.....	9-31
11	Costs.....	9-32
12	Finalizing the file.....	9-32

**PART II: ESTATE ADMINISTRATION**

**CHAPTER 1**

**INTRODUCTION TO ESTATE ADMINISTRATION**

1	Introduction to estate administration.....	2
2	The <i>Estate Administration Act</i> and <i>Surrogate Rules</i> .....	3
2.1	The effect of the <i>Estate Administration Act</i> .....	4

**CHAPTER 2**

**THE PERSONAL REPRESENTATIVE**

1	Introduction.....	2-2
2	Identification of the personal representative.....	2-2
2.1	“Personal representative” defined.....	2-2
2.2	Executor.....	2-2
2.3	Administrator.....	2-3
3	Deciding whether to act as a personal representative .....	2-5
3.1	Requirement to act as a personal representative .....	2-5
3.2	Dealing with estate assets before deciding to act.....	2-6
3.3	Issues to review before deciding to act .....	2-7
3.4	Alternatives to acting: renouncing, nominating, or reserving the right to apply ....	2-11
4	Duties of the personal representative.....	2-12
4.1	General duties.....	2-12
4.2	Disposition of human remains .....	2-12
4.3	Making funeral arrangements.....	2-13
4.4	Core tasks of the personal representative .....	2-14
5	Failing to perform the core tasks or failing to provide notice .....	2-18

**CHAPTER 3**

**TESTAMENTARY DOCUMENTS**

1	Introduction.....	3-2
---	-------------------	-----

2	Original documents or copies .....	3-2
3	Locating the original will.....	3-3
4	When a will cannot be located.....	3-4
5	Technical requirements.....	3-4
5.1	Affidavit of a witness to a will .....	3-4
5.2	Affidavit of a witness unavailable .....	3-5
5.3	Initialing each page of a will .....	3-5
5.4	Dating a will .....	3-5
5.5	Affidavit of a witness where the testator is unable to sign.....	3-6
5.6	Wills made by minors.....	3-6
5.7	Military wills .....	3-7
5.8	Arrangement for payment of fees .....	3-7

**CHAPTER 4**

**DEALING WITH INTESTACY**

1	Intestacy .....	4-2
1.1	What is an “intestate estate”? .....	4-2
1.2	Who is “family” in an intestacy?.....	4-2
1.3	Distribution of intestate estates.....	4-3
1.4	Spouses and adult interdependent partners .....	4-3
1.5	Distribution to descendants .....	4-4
1.6	Parentelic distribution.....	4-5
1.7	No heirs.....	4-6
2	Summary of intestacy inheritance provisions.....	4-6
3	Appendix list.....	4-7

**CHAPTER 5**

**NOTICE**

1	Introduction.....	5-2
2	Notice under the <i>Estate Administration Act</i> and the <i>Surrogate Rules</i> .....	5-2
3	Notice when acting without a grant.....	5-2

3.1	Notice to beneficiaries.....	5-3
3.2	Notice to deceased beneficiaries.....	5-3
3.3	Notice to others interested in an estate.....	5-4
4	Notice to family members and beneficiaries.....	5-7
4.1	Notice to beneficiaries.....	5-7
4.2	Notice to heirs on intestacy.....	5-7
4.3	Notice to others interested in an estate.....	5-7
4.4	Court discretion regarding compliance with notice requirements.....	5-10
5	How to provide notice.....	5-11
5.1	Notice when acting without a grant.....	5-11
5.2	Notice when applying for a grant.....	5-11

**CHAPTER 6**

**GRANT APPLICATIONS**

1	Introduction.....	6-3
2	Preliminary matters.....	6-3
2.1	Gathering information.....	6-3
2.2	Reviewing a will.....	6-4
2.3	Is a grant necessary?.....	6-9
3	Types of grant.....	6-11
3.1	Deciding on the kind of grant required.....	6-11
3.2	Supplemental grant.....	6-12
3.3	Double probate.....	6-12
3.4	Administration of unadministered property.....	6-12
3.5	Administration of unadministered property with will annexed.....	6-13
3.6	Re-sealed probate or administration.....	6-13
3.7	Ancillary grant.....	6-14
3.8	Grant of administration limited to specific property.....	6-14
3.9	Grant of administration of property not included in another grant.....	6-14
3.10	Other grants.....	6-15
3.11	Bonds.....	6-15
4	The application.....	6-16
4.1	NC 1 – Application.....	6-16

ALBERTA WILLS AND ESTATES PRACTICE MANUAL

4.2	NC 2 – Affidavit .....	6-18
4.3	NC 3 – Schedule 1: Deceased .....	6-22
4.4	NC 4 – Schedule 2: Will .....	6-26
4.5	NC 5 – Schedule 3: Personal representative(s).....	6-27
4.6	NC 6 – Schedule 4: Beneficiaries .....	6-28
4.7	NC 7 – Schedule 5: Inventory of property and debts .....	6-30
4.8	Notices .....	6-32
4.9	Service of NC 24 on a person with mental disability and no attorney or trustee ..	6-35
4.10	Submitting an application.....	6-36
5	Wills made outside Alberta .....	6-38
6	Lost or missing will.....	6-40
7	Priorities for grant applications.....	6-42
8	Renunciations .....	6-44
9	Nominations.....	6-45
10	Failed gifts.....	6-45
10.1	Lapsed gifts .....	6-45
10.2	Adeemed gifts .....	6-46
10.3	Void gifts .....	6-46
10.4	Distribution of void gifts.....	6-46
10.5	Missing beneficiaries .....	6-47
11	“Children” as beneficiaries .....	6-47
12	Property lists .....	6-48
13	Irregular or defective wills.....	6-49
13.1	Validating documents with formal defects and rectification.....	6-49
13.2	Alterations and erasures .....	6-49
13.3	Irregularly placed signature.....	6-50
14	Survivorship .....	6-50
15	Personal representative appointments.....	6-51
15.1	Priorities.....	6-51
15.2	General appointment.....	6-52
15.3	Appointment by description.....	6-52
15.4	Minor as a personal representative.....	6-52
15.5	Reservations.....	6-53
15.6	Personal representative nominations.....	6-53
15.7	Attorneys.....	6-53

15.8	No one applies .....	6-53
15.9	Public Trustee as applicant .....	6-53
16	Appendix list.....	6-54

**CHAPTER 7**

**OTHER APPLICATIONS**

1	Introduction.....	7-2
2	Contentious applications.....	7-2
3	Court discretion.....	7-2
4	The difference between rectification and construction of wills .....	7-2
5	Rectification of wills.....	7-3
	5.1 General .....	7-3
	5.2 Deletion of words .....	7-3
	5.3 Addition of words.....	7-4
	5.4 Evidence .....	7-4
6	Construction of wills .....	7-4
	6.1 General .....	7-4
	6.2 When to bring an application .....	7-4
	6.3 Ascertaining a testator’s intent.....	7-5
	6.4 Judicial approaches to the construction of a will.....	7-6
	6.5 The court’s limited power of rectification as a court of construction .....	7-7
	6.6 Rules of construction .....	7-7
	6.7 Role of a personal representative.....	7-8
7	Termination, revocation, variation, and acceleration of trusts.....	7-9
	7.1 General .....	7-9
	7.2 Legislation .....	7-9
	7.3 Criteria for court approval.....	7-10
8	Powers of a trustee.....	7-11
9	Charitable intent .....	7-12
10	Sale or retention of real property or leases .....	7-12
	10.1 <i>Trustee Act</i> .....	7-12
	10.2 Leases.....	7-14
	10.3 <i>Minors’ Property Act</i> .....	7-14

CHAPTER 8

APPLYING FOR FAMILY MAINTENANCE AND SUPPORT

1 Types of relief under the family maintenance and support provisions ..... 8-2

2 Applying for family maintenance and support ..... 8-3

    2.1 “Adequate” provision for proper maintenance and support ..... 8-4

    2.2 Limitation periods ..... 8-8

    2.3 Applicants ..... 8-8

    2.4 Notices ..... 8-9

    2.5 Factors for court consideration ..... 8-9

    2.6 Competing family maintenance and support claims ..... 8-13

    2.7 Disclosure ..... 8-14

3 Court orders and their effect..... 8-15

    3.1 Defining an “estate” for family maintenance and support purposes ..... 8-15

4 Miscellaneous family maintenance and support provisions..... 8-16

CHAPTER 9

ADMINISTRATION OF THE ESTATE

1 Introduction..... 9-3

2 Executor’s year..... 9-4

3 Valuation and inventory..... 9-4

    3.1 General ..... 9-4

    3.2 Purpose..... 9-4

    3.3 Property and debts..... 9-5

    3.4 Form of inventory ..... 9-7

    3.5 Valuation..... 9-7

    3.6 Types of property described in an inventory ..... 9-8

4 Property that does not pass to a personal representative..... 9-15

    4.1 Joint tenancy ..... 9-15

    4.2 Life insurance policies and proceeds ..... 9-17

    4.3 Pensions and retirement plans..... 9-18

    4.4 Canada Pension Plan..... 9-21

    4.5 Other plans ..... 9-21

**ALBERTA WILLS AND ESTATES PRACTICE MANUAL**

4.6	Gifts made in contemplation of death .....	9-21
4.7	Bankrupt estate .....	9-22
4.8	Statutory benefits.....	9-22
4.9	Voluntary payments .....	9-22
4.10	Interests in trusts .....	9-22
5	Legislation affecting transmission and transfer of assets.....	9-22
5.1	General .....	9-22
5.2	Notice to creditors and claimants.....	9-23
5.3	Family maintenance and support .....	9-23
5.4	<i>Family Property Act</i> .....	9-23
5.5	<i>Income Tax Act</i> .....	9-24
5.6	<i>Estate Administration Act</i> .....	9-25
5.7	<i>Wills and Succession Act</i> .....	9-25
5.8	<i>Dower Act</i> .....	9-25
5.9	<i>Surrogate Rules</i> .....	9-25
5.10	<i>Public Trustee Act</i> .....	9-26
6	Transmission and transfer procedures .....	9-26
6.1	Land .....	9-26
6.2	Stocks and bonds .....	9-29
6.3	Life insurance.....	9-33
6.4	Pensions .....	9-33
6.5	RRSPs, RRIFs, and life income funds and annuities .....	9-34
6.6	Banks and other financial institutions.....	9-34
6.7	Motor vehicles .....	9-36
6.8	Miscellaneous property .....	9-37
6.9	Assets in foreign jurisdictions .....	9-38
6.10	Debts due to the deceased .....	9-39
6.11	Mobile homes.....	9-39
6.12	Aircraft .....	9-39
6.13	Workers' Compensation .....	9-40
6.14	Veterans benefits.....	9-41
6.15	Firearms.....	9-41
7	Distribution of property.....	9-42
7.1	Distributing estate property.....	9-42
7.2	A personal representative's liability.....	9-43



7.3 Rights of claimants ..... 9-43

**CHAPTER 10**

**ESTATE OBLIGATIONS**

1 General principles..... 10-2

    1.1 Definitions ..... 10-2

    1.2 Duties and liabilities of a personal representative ..... 10-2

    1.3 Claims against the estate..... 10-4

2 Debts incurred by the deceased..... 10-4

    2.1 Continuing debts ..... 10-4

    2.2 Contingent debts..... 10-5

    2.3 Statute-barred or unenforceable debts ..... 10-6

    2.4 Personal (or quasi-familial) relationship between creditor and deceased..... 10-6

    2.5 Pledges ..... 10-9

    2.6 Spousal and child support..... 10-9

    2.7 Family property claims ..... 10-9

    2.8 Defences to creditor’s claims..... 10-9

3 Debts relating to the death ..... 10-10

    3.1 Funeral expenses..... 10-10

4 Debts incurred by a personal representative..... 10-11

    4.1 Entitlement to incur debts ..... 10-11

    4.2 Entitlement to indemnification ..... 10-11

    4.3 Examples of administration expenses..... 10-12

    4.4 Claims against personal representatives ..... 10-13

5 Administering estate debts ..... 10-15

    5.1 Instructions..... 10-15

    5.2 Searches and inquiries ..... 10-16

    5.3 Proof of claims ..... 10-17

    5.4 Compromise of claims ..... 10-18

    5.5 Ranking of debts ..... 10-18

    5.6 Payment of debts ..... 10-20

6 Relief from liability under certain agreements ..... 10-23

**CHAPTER 11**

**ACCOUNTING AND EXPENSES**

1	The personal representative .....	11-2
1.1	Duty to account .....	11-2
1.2	Bonding.....	11-3
1.3	Duty to invest.....	11-4
1.4	Record-keeping .....	11-5
1.5	Accounting.....	11-6
1.6	Remuneration of a personal representative .....	11-8
1.7	Discharge of a personal representative .....	11-9
1.8	Discharge of a trustee of a represented adult’s estate.....	11-9
1.9	Discharge of an attorney under the <i>Powers of Attorney Act</i> .....	11-9
1.10	Guardian compensation .....	11-10
1.11	Personal representative compensation.....	11-10
1.12	Amount of compensation .....	11-12
1.13	Procedure for payment of personal representative.....	11-17
2	Lawyers’ charges .....	11-19
2.1	The client .....	11-19
2.2	Retainer agreement.....	11-20
2.3	Remuneration for legal services .....	11-21
2.4	Remuneration for performing functions of a personal representative.....	11-23
2.5	Remuneration where a solicitor is the personal representative.....	11-23
2.6	Liability for payment.....	11-23
2.7	Form of bill.....	11-24
2.8	Review of bill .....	11-24
3	Appendix list.....	11-24

**CHAPTER 12**

**TAXATION**

1	Introduction to Canadian income tax .....	12-3
2	The terminal year – income tax filing requirements.....	12-3
3	Computation of income .....	12-5

ALBERTA WILLS AND ESTATES PRACTICE MANUAL

3.1	Business income .....	12-6
3.2	Periodic payments.....	12-7
3.3	Rights or things .....	12-8
3.4	Deemed disposition of property at death.....	12-10
3.5	Exceptions to the general deemed disposition rule.....	12-11
3.6	Capital property.....	12-12
3.7	Non-depreciable property.....	12-12
3.8	Depreciable property .....	12-13
3.9	Farm and fishing property .....	12-15
3.10	Resource properties and land inventory .....	12-18
3.11	Net income stabilization account.....	12-18
3.12	Partnership rights.....	12-19
3.13	Relieving provisions .....	12-20
3.14	Registered retirement savings plan.....	12-21
3.15	Registered retirement income funds.....	12-24
3.16	Registered pension plans.....	12-25
3.17	Deferred profit sharing plans .....	12-25
3.18	Income from trusts.....	12-25
3.19	Employee stock options owned at death.....	12-26
3.20	Reserves in the terminal year .....	12-26
3.21	Capital losses in the terminal year.....	12-27
4	Computation of tax .....	12-27
4.1	Personal credits and deductions .....	12-27
4.2	Medical expenses .....	12-29
4.3	Charitable donations.....	12-29
5	Carryback of losses from estate's first taxation year .....	12-30
6	Shares of corporation – special considerations.....	12-30
6.1	Subsection 164(6) loss carry-back .....	12-31
6.2	Pipeline strategy.....	12-31
6.3	Other considerations.....	12-32
7	Testamentary transfers of property to spouse or spousal trusts .....	12-32
7.1	Use of a spousal trust.....	12-32
7.2	Creation of a spousal trust.....	12-33
7.3	Vesting indefeasibly .....	12-33
7.4	Taxation on death of spousal trust beneficiary.....	12-34

7.5	Tainted spousal trust .....	12-35
8	The estate and beneficiaries .....	12-36
8.1	Income of the estate .....	12-37
8.2	Residence of a trust.....	12-37
8.3	Loss carryback .....	12-37
8.4	Clearance certificates .....	12-37
8.5	21-year deemed disposition rules .....	12-38
8.6	Nature of trust income to beneficiaries.....	12-39
8.7	Preferred beneficiary elections .....	12-39
8.8	Qualified disability trust .....	12-40
8.9	Transfer of the estate’s property to the beneficiaries .....	12-41
9	Goods and services tax .....	12-42
9.1	Reporting periods.....	12-42
9.2	Responsibilities of the personal representative .....	12-43
9.3	Implications on death .....	12-43
9.4	Distribution of trust property .....	12-44
9.5	Clearance certificate.....	12-44
9.6	Deemed disposition rule.....	12-45
9.7	Personal representative fees .....	12-45
10	United States of America estate tax .....	12-45

## CHAPTER 13

### TECHNICAL AND COURT MATTERS

1	Contentious estate matters .....	13-3
1.1	Bringing an action .....	13-3
1.2	Parties.....	13-3
1.3	Service .....	13-3
1.4	Representation.....	13-3
1.5	Chambers proceedings.....	13-3
1.6	Hearings.....	13-3
1.7	Accepting or refusing probate .....	13-4
1.8	Production of testamentary documents .....	13-4
1.9	Security for costs.....	13-4

1.10	Time for completion .....	13-5
2	Proof of death .....	13-5
2.1	Permission to swear to the death of a person .....	13-5
2.2	Court order.....	13-5
3	Claims on an estate.....	13-5
3.1	Contested claim .....	13-5
3.2	Application to the court.....	13-5
3.3	Notice to a personal representative .....	13-6
3.4	Claim barred.....	13-6
4	Renouncing.....	13-6
5	Formal proof of a will.....	13-7
5.1	Applicants .....	13-7
5.2	Required documents .....	13-8
5.3	The court may require formal proof .....	13-8
5.4	Stay of proceedings .....	13-8
5.5	Original will lost or destroyed .....	13-8
5.6	Application by a person interested in an estate.....	13-9
5.7	Chambers hearings.....	13-9
5.8	Evidence of a person who took instructions for the will .....	13-9
5.9	Trial .....	13-10
5.10	Order of decisions.....	13-10
5.11	Order of proceedings .....	13-11
5.12	Powers of the court.....	13-11
6	Survivorship .....	13-11
7	Bond or other security requirement .....	13-12
7.1	Requirement to obtain a bond .....	13-12
7.2	Dispensing with a bond .....	13-12
7.3	Bond applications .....	13-13
8	Caveats.....	13-14
8.1	Entitlement to file a caveat .....	13-14
8.2	Filing of caveat .....	13-14
8.3	Expiry of a caveat.....	13-14
8.4	Discharge of a caveat .....	13-14
8.5	Alternate means of discharge .....	13-14
8.6	Frivolous or vexatious caveats .....	13-15

9	Applications for advice or directions .....	13-15
9.1	Legislation .....	13-15
9.2	When to apply.....	13-15
9.3	Estates with missing beneficiaries.....	13-17
9.4	The effect of a personal representative acting on advice and direction .....	13-17
9.5	Costs .....	13-18

**CHAPTER 14**

**COSTS IN ESTATE ACTIONS**

1	Introduction to costs in an estate action.....	14-2
2	General principles on estate costs .....	14-2
3	Applicable <i>Surrogate Rules</i> and <i>Rules of Court</i> .....	14-3
3.1	Applicable <i>Surrogate Rules</i> .....	14-3
3.2	Applicable <i>Rules of Court</i> .....	14-5
4	The modern approach and its exceptions.....	14-6
5	Estate payment of costs to an unsuccessful litigant.....	14-6
5.1	Factors .....	14-6
5.2	Causing the litigation .....	14-7
5.3	Reasonable challenges/conduct .....	14-8
5.4	Undue influence allegations.....	14-9
5.5	Different costs for different periods of time in litigation .....	14-10
5.6	Offers to settle under the <i>Rules of Court</i> .....	14-10
6	Solicitor-client (or full indemnity) costs in estate matters.....	14-11
6.1	Blameworthy conduct in litigation.....	14-13
7	Elevated costs awards.....	14-17
8	Reimbursement of a personal representative’s expenses and costs .....	14-18
8.1	General principles .....	14-18
8.2	Trustee indemnification for legal costs .....	14-18
8.3	Costs awards against rogue personal representatives .....	14-20
9	Judicial comment on legal fees generally .....	14-23

**CHAPTER 15**

**PUBLIC TRUSTEE'S ROLE IN ESTATE ADMINISTRATION**

1 The Public Trustee as personal representative ..... 15-2

1.1 Interim administration ..... 15-2

1.2 Expeditious administration of very small estates ..... 15-3

1.3 Public Trustee's priority to a grant ..... 15-3

1.4 Administration where no one else is willing and able to act ..... 15-4

1.5 Election to administer an estate ..... 15-5

1.6 Court or government order ..... 15-5

1.7 Fees ..... 15-6

2 Notice to the Public Trustee of an application for a grant ..... 15-7

2.1 Where a vulnerable person is interested in an estate..... 15-7

2.2 Family members..... 15-7

3 Other applications relating to administration of a deceased's estate ..... 15-8

3.1 Public Trustee is trustee for a represented adult ..... 15-9

3.2 A minor interested in an estate..... 15-9

3.3 A missing person interested in an estate..... 15-10

4 Other considerations where a minor is interested in an estate ..... 15-11

4.1 Expenditures by the Public Trustee for a minor's benefit ..... 15-11

4.2 Dispositions of real property for a minor ..... 15-12

4.3 Distribution of a minor's share of an estate ..... 15-13

4.4 Accounting by the Public Trustee to a minor ..... 15-16

4.5 Monitoring of a trustee for the benefit of minor beneficiaries..... 15-17

5 Missing beneficiary..... 15-18

6 Substitute trustee or judicial trustee..... 15-19

**CHAPTER 16**

**RURAL ESTATES**

1 Introduction..... 16-2

2 Nature of rural operations..... 16-2

2.1 Sole proprietorship..... 16-2

2.2 Partnership..... 16-2

2.3	Corporation.....	16-3
2.4	Joint venture.....	16-3
3	Assets of rural operations .....	16-3
3.1	Real property .....	16-3
3.2	Mines and minerals .....	16-7
3.3	Farm machinery and equipment.....	16-9
3.4	Grazing leases.....	16-9
3.5	Livestock.....	16-10
3.6	Grain .....	16-11
4	Miscellaneous matters.....	16-12
4.1	Farm grant programs .....	16-12
4.2	Transmission and transfer of property .....	16-12
4.3	Quotas.....	16-13
4.4	Co-operatives.....	16-13

## CHAPTER 17

### ALTERNATIVE DISPUTE RESOLUTION TECHNIQUES

1	Introduction.....	17-2
2	What is alternative dispute resolution?.....	17-3
2.1	Negotiation .....	17-4
2.2	Third party interventions.....	17-5
2.3	Collaborative law.....	17-9
2.4	Summary.....	17-11
3	Which alternative dispute resolution process to choose and why? .....	17-12
4	Alternative dispute resolution processes in the civil justice system .....	17-13
4.1	Traditional approach.....	17-13
4.2	Current experience.....	17-14
5	Court-annexed alternative dispute resolution processes .....	17-17
5.1	Authority for judicial dispute resolution.....	17-18
5.2	History of judicial dispute resolution.....	17-19
5.3	Current judicial dispute resolution practice in Alberta .....	17-20



## APPENDIX LIST

<b>Appendix</b>	<b>Part, Chapter</b>
<i>Adult Interdependent Relationships Act Checklist</i>	Part I, Chapter 6
Affidavit of Attestation of an Enduring Power of Attorney	Part I, Chapter 7
Affidavit of Attestation of a Personal Directive	Part I, Chapter 8
Declaration of Enduring Power of Attorney	Part I, Chapter 7
Duties of an Attorney Under an Enduring Power of Attorney	Part I, Chapter 7
Enduring Power of Attorney	Part I, Chapter 7
Enduring Power of Attorney Questionnaire	Part I, Chapter 7
Estate Administration Information Gathering Form	Part II, Chapter 6
Forms Checklist: Application for Grant	Part II, Chapter 6
Intestacy Flowcharts	Part II, Chapter 4
Letter to Physician Requesting Capacity Assessment	Part I, Chapter 7
Medical Opinion Regarding Legal Mental Capacity	Part I, Chapter 7
Notes on the Personal Directive	Part I, Chapter 8
Personal Directive	Part I, Chapter 8
Personal Directive Questionnaire	Part I, Chapter 8
Suggested Fee Guidelines	Part II, Chapter 11
Will	Part I, Chapter 4
Wills and Estates Questionnaire	Part I, Chapter 3