

A Corporate Executor? Reason #1: Less Expensive Than You Think

As a society, we are accustomed to paying for professional services, whether it be a realtor, legal or accounting fees, or fees for investment management services.

Yet people seem to balk at the idea of paying a professional executor for the administration of their estate.

Is the cost of a corporate executor out of reach for most people? The simple answer is “no”; however, a straightforward comparison may give some perspective and assist you in considering a corporate executor for your estate.

Realtor fees are fairly consistent across the country. It appears the standard fee is 7% on the first \$100,000 and 3 to 3.5% on the balance of the sale price; realtor fees are negotiable.

According to The Canadian Real Estate Association web site, the national average in February 2016 for the sale of existing homes and properties sold through MLS was \$503,057.

If we calculate 7% on the first \$100,000 and (as an example) 3% on the balance of \$403,057, the realtor fees on the sale of your home would be \$19,092. The question is ... how many homes do you sell in your lifetime?

What about the mutual funds you hold? In his Financial Post article *Canada trails pack on fund fees*, Jonathan Chevreau points out Canada's TER across all funds is 2.2%. To be consistent, let's use an investment portfolio totaling \$503,057.

Using Mr. Chevreau's 'example' fee of 2.2%, the mutual fund fee would be \$11,067. This would be an annual fee.

Corporate executor fees... how do they compare?

Once the testator has passed away, Concentra Trust's fee is charged on probatable assets only, which are assets distributed through the Will. Assets registered jointly with a spouse/common-law partner and registered plan or insurance products with a designated beneficiary are considered non-probatable assets.

Using an estate with probatable assets of \$503,057 at our standard fee of 4.25% (on the first \$1,000,000), the fee would be \$21,507.

The difference between this and other professional fees? This is a one-time fee.

Once a comparison to commonly-used professional services is applied, the fee to have a professional administer your estate is quite reasonable.

You trust professionals to handle other aspects of your life, why not your estate?

What can you do?

Connect your client with an estate and trust specialist at Concentra Trust for a complimentary consultation.

Who is Concentra Trust?

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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