

Trusts & Protector / Appointor (if applicable) Information

If you have a family trust, a unit trust, or any other type of trust structure, your executor needs to know about it.

Trusts are common in Canada, especially for families with businesses, investment properties, or significant wealth. They're used to protect assets, minimize tax, and control how money is distributed to beneficiaries.

But trusts are also complex. And if your executor doesn't understand how your trust works, or who controls it, things can go very wrong very quickly.

This section helps your executor understand your trust structures and know who to contact for help.

What is a trust?

A trust is a legal arrangement where assets (money, property, investments, businesses) are held by a trustee for the benefit of beneficiaries.

Think of it like this:

- The trustee is the legal owner of the assets (they hold them "in trust")
- The beneficiaries are the people who benefit from those assets (they receive income or capital)
- The appointor (or principal) is the person who controls the trust (they can hire and fire the trustee)

Trusts are sometimes used to help manage how assets are held and passed on, and they can have tax and legal implications that are complex and change over time. Whether a trust helps in your situation is a question for your accountant and lawyer (or notary in Quebec).

Types of trusts in Canada:

A discretionary family trust gives the trustee flexibility over how income or capital is shared among beneficiaries each year. There are detailed tax rules about how trust income can be distributed, and they change, so any tax planning should be confirmed with your accountant.

Unit trust. Similar to shares in a company. Each beneficiary owns "units" in the trust, and income is distributed according to how many units they own. Less flexible than a discretionary trust, but more predictable.

A testamentary trust is created in your Will and only takes effect after you die. It's often used to look

after assets for young children or beneficiaries who need extra support. Any tax effects are detailed and have changed in recent years, so confirm how one would work for you with your lawyer and accountant.

Self-Managed Retirement savings Fund (SELF-DIRECTED PLAN). Technically a type of trust, but it's covered in the Retirement savings section. If you have a self-directed PLAN, note it there, not here.

What's an appointor, and why does it matter?

The appointor is the person who controls the trust. They have the power to:

- Appoint (hire) and remove (fire) the trustee
- Effectively control who benefits from the trust

The appointor is often more powerful than the trustee. If the appointor dies without a replacement appointor being appointed, the trust can become frozen or fall into the wrong hands.

If you control a family trust, it's worth understanding what happens to that role of control when you die, since it's usually governed by the trust deed and the law rather than your Will alone. This is technical, so confirm with the lawyer (or notary in Quebec) and accountant who set up or manage the trust.

WHY THIS MATTERS

If you control a family trust and you don't plan for what happens when you die, your family could lose control of millions of dollars.

Your executor needs to know:

- What trusts you're involved in
- Whether you're a trustee, beneficiary, or appointor
- Where the trust deed is stored
- Who the accountant is (they'll need professional help)

Trusts are complicated. Don't leave your family guessing.

Your Trusts & Protector / Appointor (if applicable) Information

Trusts don't end when you do. Your executor must know they exist and who keeps them running.

TRUST 1

TRUST NAME

TYPE OF TRUST

TRUST BUSINESS NUMBER (BN)

DATE ESTABLISHED

YOUR ROLE

OTHER TRUSTEES

WHO BECOMES APPOINTOR AFTER YOU

BACKUP APPOINTOR

WHAT THE TRUST OWNS

APPROXIMATE VALUE OF ASSETS

BENEFICIARIES

TRUST 1: ACCOUNTANT

Your executor MUST contact the accountant. Trusts have ongoing tax and legal obligations.

NAME

FIRM

PHONE

EMAIL

Your Trusts & Protector / Appointor (if applicable) Information (cont.)

TRUST DEED STORED AT

FINANCIAL RECORDS STORED AT

TAX RETURNS STORED AT

TRUST 2

TRUST NAME

TYPE OF TRUST

TRUST BUSINESS NUMBER (BN)

DATE ESTABLISHED

YOUR ROLE

OTHER TRUSTEES

WHO BECOMES APPOINTOR AFTER YOU

BACKUP APPOINTOR

WHAT THE TRUST OWNS

APPROXIMATE VALUE OF ASSETS

BENEFICIARIES

TRUST 2: ACCOUNTANT

NAME

FIRM

Your Trusts & Protector / Appointor (if applicable) Information (cont.)

PHONE

EMAIL

TRUST DEED STORED AT

FINANCIAL RECORDS STORED AT

TAX RETURNS STORED AT

TESTAMENTARY TRUST (CREATED IN YOUR WILL)

A trust your Will creates, e.g. to manage assets for children until a set age.

PURPOSE OF THE TRUST

TRUSTEE

APPOINTOR

BENEFICIARIES

LAWYER NAME

LAWYER PHONE

NOTES: ANYTHING ELSE ABOUT YOUR TRUSTS