

Common Executor Pitfalls & How to Avoid Them

Being an executor is harder than most people think.

There are legal requirements, financial complexities, and emotional landmines. It's easy to make mistakes, especially when you're grieving and under pressure from family.

This section covers the most common pitfalls executors face and how to avoid them.

Learn from other people's mistakes so you don't have to make them yourself.

Common mistakes and how to avoid them

PITFALL 1: Distributing assets too soon

THE MISTAKE: Executors sometimes distribute assets to beneficiaries before all debts are paid and all claims are settled. Then a creditor appears, or a tax bill arrives, and there's no money left to pay it.

HOW TO AVOID IT:

- Don't distribute anything until you have CRA clearance
- Wait until all debts are paid
- Wait until the required creditor-notice period for your province expires
- Keep a reserve in the estate account for unexpected expenses
- Get written approval from beneficiaries if you must distribute early

PITFALL 2: Not keeping detailed records

THE MISTAKE: Executors fail to document their actions, expenses, and decisions. Later, beneficiaries question what happened, and the executor can't prove what they did or why.

HOW TO AVOID IT:

- Start a detailed record-keeping system from day one
- Document every phone call, letter, email, and meeting
- Keep all receipts for expenses (even small ones)
- Take photos of property before selling or distributing
- Keep copies of everything
- Use Section 41 (Executor Expense Log) to track costs

PITFALL 3: Paying debts in the wrong order

THE MISTAKE: Not all debts are equal. Some must be paid first (like funeral costs and tax debts). Executors who pay debts in the wrong order can be held personally liable.

HOW TO AVOID IT:

- Work with a lawyer to understand debt priority
- Generally, the order is:
 1. Funeral and administration costs
 2. Tax debts (CRA takes priority)
 3. Secured debts (mortgages)
 4. Unsecured debts (credit cards, personal loans)
- Don't pay anyone until you know the full picture

PITFALL 4: Mixing personal and estate funds

THE MISTAKE: Executors use their own money to pay estate expenses, or they deposit estate money into their personal account. This creates confusion and can look like mismanagement.

HOW TO AVOID IT:

- Open a separate estate bank account immediately
- All estate income goes into this account
- All estate expenses are paid from this account
- Never mix it with your personal finances
- Keep the estate account separate until the estate is fully settled

PITFALL 5: Acting without probate when it's required

THE MISTAKE: Some executors try to access bank accounts, sell property, or distribute assets before getting Certificate of Appointment of Estate Trustee. Banks and institutions won't cooperate, and it wastes time.

HOW TO AVOID IT:

- Check with the lawyer whether probate is needed
- If required, apply for it before trying to access assets
- Some smaller or simpler estates may not need probate, but whether that applies depends entirely on your province's rules, so have your lawyer confirm
- Wait for the Grant before taking action on major assets

PITFALL 6: Ignoring or delaying communication with beneficiaries

THE MISTAKE: Executors go silent. Beneficiaries don't know what's happening, assume the worst, and start making accusations or legal threats.

HOW TO AVOID IT:

- Send regular updates to beneficiaries (monthly or quarterly)
- Be transparent about timelines and delays
- Explain what you're doing and why
- Manage expectations (estates take time)
- Respond to questions promptly

PITFALL 7: Taking on too much alone

THE MISTAKE: Executors try to do everything themselves to save money. They get overwhelmed, make mistakes, and the estate takes years to settle.

HOW TO AVOID IT:

- Hire a lawyer. Yes, it costs money, but it's worth it.
- Use an accountant for tax matters
- Engage professionals for valuations (property, business, collectibles)
- Don't be a hero. This is too complex to do alone.

PITFALL 8: Selling assets too quickly (or too slowly)

THE MISTAKE: Executors panic-sell property at a loss because they feel pressured. Or they delay selling for years, racking up maintenance costs and frustrating beneficiaries.

HOW TO AVOID IT:

- Get professional valuations before selling anything
- Consult beneficiaries about major sales (if appropriate)
- Don't rush, but don't delay unnecessarily
- Consider market conditions (especially for property)
- Check the Will for specific instructions about selling

PITFALL 9: Not advertising for creditors

THE MISTAKE: Executors forget to advertise for creditors. A creditor appears after the estate is distributed, and the executor is personally liable.

HOW TO AVOID IT:

- Your lawyer will handle this
- Required by law in most states
- Advertise in newspapers and online
- required notice period for creditor claims (length varies by province)

- Don't distribute until the period expires

PITFALL 10: Paying themselves without documentation

THE MISTAKE: Executors take a fee without documenting it or getting beneficiary approval. Beneficiaries accuse them of theft.

HOW TO AVOID IT:

- Executors may be able to claim reasonable compensation, but how it's calculated and how much is appropriate varies by province and depends on the Will, beneficiary agreement, or court approval, so check with your lawyer before taking any fee
- Document your time and effort
- Get written approval from beneficiaries before taking a fee
- Be transparent about what you're claiming
- Consult your lawyer about reasonable fees

PITFALL 11: Assuming the Will is clear when it's not

THE MISTAKE: The Will says "divide my estate equally among my children," but one child is estranged, or one was already given money during life. Executors guess what the deceased meant.

HOW TO AVOID IT:

- If the Will is unclear, get legal advice
- Don't interpret it yourself
- Courts can provide guidance on ambiguous Wills
- Check this organizer for additional context (especially Part 8)

PITFALL 12: Not dealing with digital assets

THE MISTAKE: Executors forget about online accounts, subscriptions, cryptocurrency, and digital photos. The estate keeps getting charged, or valuable assets are lost.

HOW TO AVOID IT:

- Check Sections 20-23 for digital asset details
- Cancel subscriptions to stop charges
- Access cryptocurrency with recovery phrases (don't lose them)
- Download photos and important files before closing accounts

PITFALL 13: Letting family pressure influence decisions

THE MISTAKE: A beneficiary pressures the executor to give them "their share" early, or to interpret the Will in their favour. The executor caves to keep the peace.

HOW TO AVOID IT:

- Your job is to follow the Will, not make everyone happy
- Distributing early carries real risks, so don't do it without checking with your lawyer first about what's safe and allowed in your province
- Don't let anyone bully you
- Refer difficult family members to the lawyer
- Document any pressure or threats

PITFALL 14: Not valuing assets properly

THE MISTAKE: Executors guess at asset values instead of getting professional valuations. This causes disputes and potential tax issues.

HOW TO AVOID IT:

- Get professional valuations for:
 - Property
 - Vehicles
 - Businesses
 - Collectibles
 - Jewellery
 - Art
- Keep valuation reports for your records
- Use valuations as of the date of death

PITFALL 15: Missing tax deadlines

THE MISTAKE: Executors don't realize the final tax return is due, or they miss the deadline. The CRA charges penalties and interest.

HOW TO AVOID IT:

- Work with the accountant (Section 19 has details)
- There are deadlines for the final tax return, and they depend on when in the year the person died, so ask the accountant to confirm the exact due date for this estate so nothing is missed
- Don't distribute the estate until you have CRA clearance
- Keep funds in reserve for potential tax bills

PITFALL 16: Not understanding retirement savings

THE MISTAKE: Executors assume retirement savings go to the estate automatically. It doesn't. Retirement savings are paid according to the beneficiary designation, not the Will.

HOW TO AVOID IT:

- Check Section 11 for retirement savings details
- Contact the retirement savings fund immediately
- Check for your named beneficiary designations
- Review your beneficiary designations regularly (check the date)
- Retirement savings can be paid to dependants or the estate

PITFALL 17: Underestimating how long it takes

THE MISTAKE: Executors tell beneficiaries "this will be done in a few months." A year later, it's still not settled, and everyone is angry.

HOW TO AVOID IT:

- Set realistic expectations from the start
- Let beneficiaries know that settling an estate often takes many months and sometimes longer, and that timelines vary a lot from estate to estate
- Explain that delays are normal
- Update them regularly on progress
- Don't promise timelines you can't control

SUMMARY: THE GOLDEN RULES

1. Don't rush. Take your time and get it right.
2. Keep detailed records. Document everything.
3. Get professional help. Lawyers and accountants are worth it.
4. Communicate with beneficiaries. Transparency prevents conflict.
5. Follow the Will. Not family pressure.
6. Don't distribute until debts are paid and CRA clearance is received.
7. Open a separate estate bank account.
8. Get professional valuations.
9. Be patient with yourself. This is hard work.

You're doing your best. That's all anyone can ask.

Your Common Executor Pitfalls & How to Avoid Them

The mistakes that catch executors out, and a box to tick once you understand each.

PITFALLS TO UNDERSTAND AND AVOID

Each pitfall is explained above. Tick it once you understand how to avoid it.

1. Distributing assets too soon (wait for CRA clearance and the creditor period)
2. Not keeping detailed records
3. Paying debts in the wrong order
4. Mixing personal and estate funds
5. Acting without probate when it's required
6. Ignoring or delaying communication with beneficiaries
7. Taking on too much alone
8. Selling assets too quickly (or too slowly)
9. Not advertising for creditors
10. Paying themselves without documentation
11. Assuming the Will is clear when it's not
12. Not dealing with digital assets
13. Letting family pressure influence decisions
14. Not valuing assets properly
15. Missing tax deadlines
16. Not understanding retirement savings
17. Underestimating how long it takes

NOTES: WHICH OF THESE APPLY TO THIS ESTATE, AND HOW YOU'LL HANDLE THEM