



Glossary of Terms

Throughout this handbook you may come across terminology that is unfamiliar to you. Reference this glossary at any time you need clarification.

Administrator (Administratrix if female):	In the case of intestacy (when someone dies without a will) the individual appointed by the court with the legal authority to manage the estate's assets.
Beneficiary:	This is the person named to receive goods or benefits under the Testator's Will or pursuant to the distribution of an estate due to intestacy.
Clearance Certificate:	A document issued by Canada Revenue Agency that confirms that an estate of a deceased person has paid all amounts of tax, interest and penalties it owed at the time the certificate was issued. Let's the legal representative distribute assets without the risk of being personally responsible and liable for amounts of the deceased or estate.
Estate assets:	Estate assets are those over which the deceased had control and generally include such things as bank accounts, investment accounts, real estate and other personal belongings.
Executor (Executrix if female):	An Executor is the person named in a Will to carry out the testamentary requests and estate distribution of the deceased.
Fair Market Value:	The price of an asset comparable in the marketplace or what it would reasonably be worth in an open, unrestricted, and non-artificial transaction.
Intestacy:	Occurs when a person dies without a legal Will. Each jurisdiction has different rules regarding intestacy and distribution of the estate.
Non-estate assets:	Assets over which the deceased had control but are not considered estate assets in the legal sense and are therefore not part of the Executor's responsibilities. These might include insurance policies, assets held in Joint Tenancy, and certain financial accounts registered under tax law.
Power of Attorney (POA) for Finances:	A Power of Attorney (POA) for finances is a legal document which enables another party (known as the Attorney) to act on the Principal's (also known as the "Donor, "Grantor") behalf in the management and administration of their financial affairs. On death of the Principal, the POA becomes unenforceable.



Power of Attorney (POA) for Health Care:	A Power of Attorney for health care is a legal document which authorizes an individual (known as the Attorney) to make health care decisions on behalf of the Principal (also known as the "Donor", "Grantor").
Principal (aka Grantor, Donor):	A person granting Powers of Attorney to another party.
Probate:	Probate is the legal process in which the last will of the deceased is taken to the provincial probate court for approval. The court will approve the will (known in most jurisdictions) as "Letters Probate" unless the validity of the will is being challenged and/or there are other issues. For the court to provide approval, the will and additional documentation must be prepared in a specific format and an inventory of all the assets that pass through the estate are specified. Probate provides protection to both the third parties that are requested to transfer assets and the Executor(s) who are administering the estate.
Probate Fees (Ontario – Estate Administration Taxes):	These are the Provincial/Territorial fees paid on the value of estate and are designed to reflect the administrative costs of reviewing the estate and issuing Letters Probate although the actual fees are usually based on some percentage of the estate value. Certain assets may move outside the estate and not be subject to these fees. Refer to the 'Estate and Non-Estate Assets' section of this handbook to learn which type of assets are not subject to probate fees.
Testator (Testatrix if female):	The Testator is the person who has left a Will.
Trust:	A Trust is a right of property held by one person for another. In the case of a Will, the Executor is assuming legal control of the estate assets for the benefit of the beneficiaries. The Executor has a legal responsibility to carry out the instructions of the Testator for the benefit of the beneficiaries of the estate.
Trustee:	A person or an organization that has been appointed to administer property or assets for the benefit of a third party.
Will:	The Will is the instrument by which a person, while alive, directs the distribution and treatment of their estate after their death. Wills are generally revocable at any time while the person is alive so it is crucial (and part of the probate process) to ensure that the Will in question is the most current.