

## Executor / Administrator Fees

### What are Executor Fees / Administrator Fees?

Executor / Administrator fees are fees paid to the Executor or Administrator as compensation for the work involved in administering the Estate. In British Columbia, if the fee is not stipulated in the Will, the Executor / Administrator can charge a reasonable amount up to a maximum of 5% of the gross value of the Estate and the fee must be approved by all beneficiaries. Other provinces may have different legislation pertaining to Executor / Administrator compensation.

### Are the fees taxable?

Yes, fees are taxable income in the year the fees are paid.

### If I decide to take fees, what are the requirements to Canada Revenue Agency (CRA)?

If you are not in the business of providing Executor / Administrator services:

The Executor / Administrator is considered an employee of the Estate.

1. The Estate (employer) withholds and remits income tax and Canada Pension Plan contributions based on the gross amount of fees. The withholdings must be remitted and received by CRA by the 15<sup>th</sup> of the following month the fees are paid. Executor / Administrator fees are exempt from Employment Insurance (EI) withholdings.
2. The Estate (employer) files a T4 information return with CRA on or before February 28 of the following year the fees are paid.
3. The Executor / Administrator reports the income on their personal tax return using the T4 slip issued by the Estate.

If you are in the business of providing Executor / Administrator services:

The Executor / Administrator is not considered an employee of the Estate.

1. If you are a GST registrant, collect and remit GST to CRA or, if you are not a GST registrant, consider the requirements of GST registration.
2. Include fees in your income on your personal or corporate tax return (whichever one applies).

**The above information provided is to be used as a general guideline only. Please contact us for more information on the tax requirements relating to the payment of Executor / Administrator fees.**

*We will make every effort to ensure this document is current and accurate. However, due to the pace of change in the tax and accounting industries we cannot guarantee the continued relevance of the information provided. The information and resources provided are not a substitute for professional advice and may not be appropriate for your situation.*

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