

FILING FINAL RETURNS AT DEATH

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ABOUT KNOWLEDGE BUREAU

Knowledge Bureau™ is Canada's leading national post-secondary educational institute for continuing professional development in the tax and financial services. It is focused on providing knowledge and skills required to navigate a rapidly changing environment in the tax and financial services.

Founded in 2003 by bestselling tax author and internationally acclaimed educational entrepreneur, *Evelyn Jacks*, Knowledge Bureau publishes and delivers close to 30 online certificate courses leading to continuing education certification and occupational skills diplomas. It is the home of the *MFA™ (Master Financial Advisor)* designation, which signifies specialization in retirement, business, and succession/estate planning in wealth advisory practices, as well as the *DFA-Tax Services Specialist™* and *DFA-Bookkeeping Services Specialist™* designations for professionals in the tax accounting services.

Knowledge Bureau hosts regional workshops and in-class events in major centres across Canada, taught by industry leaders in a blended learning opportunity with its online courses, and an annual international event, the *Distinguished Advisor Conference™*, which explores strategic wealth management for retirement in locales clients retire to. It also partners with corporate clients and academic institutions, custom-designing CE modules, webinars, and keynotes to meet organizational needs. Finally, Knowledge Bureau is a national publisher of *Knowledge Bureau Newsbooks*, which provide opportunities for Canadians and their advisors to make better financial decisions together through highly interactive news information and educational experiences.

For more information contact Knowledge Bureau at 1-866-953-4769 or visit www.knowledgebureau.com.

**CONGRATULATIONS ON YOUR INITIATIVE TO EXPLORE YOUR INTEREST IN A
NEW FINANCIAL EDUCATION**



A MESSAGE FROM EVELYN JACKS, PRESIDENT

I am delighted to welcome you to Knowledge Bureau! We are excited to help you get started on a world class educational experience to maximize your learning opportunities. We are completely committed to your ongoing success in your professional development and strive to exceed your expectations, because we want to be your educational home.

Here at Knowledge Bureau, we are proud to offer you a comprehensive, true-to-life learning experience so you can graduate from your program selections with the knowledge, skills and confidence to provide outstanding solutions to clients in your chosen field of studies.

We do so by connecting you with cutting edge resources, expert instructors and peer-to-peer networking opportunities that will be thought-provoking. We know you will get better results, simplify efforts and help clients achieve peace of mind in making financial decisions in a complex world. It's so simple to get started; in fact, you can do so today if you wish.

Ready to Enrol? Visit the [Virtual Registrar](#) to enrol yourself conveniently online, anytime. Or, start with a free trial.

Need More Information? Do a Campus Orientation. Schedule a 15-minute orientation call at your convenience today. We'll walk you through the Virtual Campus, help you get started in identifying all your course components, and show you how to access instructor support. Be sure to take advantage of this free service: contact us at 1-866-953-4769 or by email registrar@knowledgebureau.com

Learn More Now: This **Program Guide** features details about the Faculty you are interested in. Please take a moment to consider all of the courses in the program. Following that is a detailed course overview and lesson plans for the course you have shown interest in and the individual course you have selected to get started. Finally, there is an application form you can scan and email directly to us.

Best of Luck with Your Studies!

Sincerely, Evelyn Jacks, President, Knowledge Bureau

Feature Sheet: Filing Final Returns at Death

What's New!

Gain a good understanding of the preparation of returns in the year of death. You will learn what opportunities are available to decrease income tax in the year of death, lower probate fees, and reduce tax payable by beneficiaries.

Learn the skills to prepare the appropriate T1 returns for the year of death. You will be ready to provide advice to living clients about planning ahead to reduce taxes in the event of their death, spouse's death or another loved one.

Overview

This course deals comprehensively with the taxation of individuals at death. Gain a thorough understanding of how income, capital accumulations and registered investments are taxed on final returns and learn strategies to minimize taxes, including provincial probate fees. Where to report income received by the estate and after a taxpayer's death will be discussed.

You will learn how to manage the new relationship with CRA when taxpayers die, as well as how each type of income is reported, options regarding elective returns, and opportunities to defer taxes. Students will learn how to claim all deductions and credits that are allowed on each return for the deceased and the surviving spouse.

Adding expertise in the area of final and estate returns is a very timely and important professional to your tax practice. This has become increasingly in demand in our aging demographic and in post-pandemic times.

Approach

This course is beneficial for accounting, bookkeeping, tax, and financial advisors as we all work closely with seniors in our day-to-day practices. A general tax knowledge of T1 returns is recommended prior to enrolling in this course. Seniors, and their families, are looking for professional advice prior to or subsequent to a loved one's death. Death is an emotional time however it is also a financial event. Through the knowledge gained in this course, you will be better prepared to discuss the ramifications of death with clients and their family members.

This course will help you identify and discuss proactive tax strategies prior to and after death. You will be able to take advantage of the tax-saving opportunities presented by death, both in terms of personal and business finances. Students will gain the ability to prepare all mandatory and optional T1 returns in the year of death. You will be able to advise clients on how to best minimize or eliminate probate fees that are levied in most provinces. In those provinces that have high probate rates, this could be an extremely valuable service for your clients.

Why This is Timely

Death is never timely yet it traditionally comes to about 1.5% of the Canadian population each year. Sadly, with the recent pandemic, this has increased with younger, unexpected deaths in Canada and around the world.

Smart advisors already know how to help their clients minimize the income tax consequences before death occurs. Gaining the technical expertise of filing the final return(s) of a deceased will ensure proper tax planning is arranged at the time of death.

Utilizing the fact that optional tax returns can drastically reduce the tax bill for a deceased taxpayer, their survivors and their estate is a big win for your clients.

Advisors who can offer this guidance are one step closer to becoming their clients' most trusted advisor. New tax changes for 2021 and 2022 will be included in the course content. This includes pandemic relief payments and, in some cases, their ultimate repayment.

What You Will Learn

This course deals comprehensively with the taxation of individuals and their estates at death. The professional advisor will learn strategies on how to plan ahead and reduce tax liabilities through the use of mandatory and optional returns.

Pre-analyzing an estate's assets, and income and knowing how to claim these in the most tax-efficient manner is taught in this course. You will understand which income sources will stop, have to be repaid, or can be transferred tax-free to a spouse, dependent, or beneficiary.

Most provinces levy probate fees (on assets) as well as the tax owed on tax returns. The 'plan ahead strategies' discussed in this course to reduce or eliminate probate fees can drastically increase the tax efficiency of your clients' estates.

True-to-life case studies involve the preparation of tax returns for deceased taxpayers and their surviving spouses. All known tax changes, including those that are proposed for future tax years, are discussed in the Journal.

"I feel better equipped to deal with questions involving the death of a taxpayer as a result of doing the course. Notwithstanding the fact that I have been doing final returns for about ten years, the course gave me some new insights and perspectives. My experience has been exclusively "closed fact" situations, i.e., a taxpayer dies, and his executor brings in his papers to do up a final return and if necessary, an estate return. There are a few things that can be done to minimize taxes owing and the course points these out (for example, doing multiple returns might be an option in some cases) but the real value of the course is in setting out some strategies to deal with death before the event occurs."

Martin H., ON

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WHAT'S INCLUDED

- Personal course selection consultation
- Virtual campus orientation
- Lesson and study plans
- Personal instructor email support
- Comprehensive Knowledge Journal
- EverGreen Online Research Library
- Knowledge Bureau calculators (any other software?)
- Testing and certification
- CE/CPD accreditation

MARKS ALLOCATION:

Quizzes 25%

Case Studies 50%

Final Exam 25%

Passing Grade 60%

Honours Achievement 90%

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Gain a good understanding of the preparation of returns in the year of death. You will learn what opportunities are available to decrease income tax in the year of death, lower probate fees, and reduce tax payable by beneficiaries.

Learn the skills to prepare the appropriate T1 returns for the year of death. You will be ready to provide advice to living clients about planning ahead to reduce taxes in the event of their death, spouse's death, or another loved one.

Chapter 1 | Death and Taxes

This first chapter provides an overview of the issues and required steps relating to the preparation of returns for those deceased taxpayers. The process of how to register authorization with CRA and how to apply for a trust account number (if a GRE Trust (T3) return is to be filed for the deceased taxpayer and the estate will be explained. In addition, students will learn about what to do with any government cheques received after death.

Chapter 2 | Returns in the Year of Death

Responsibilities of the Executor regarding unfiled returns. What returns may be filed in the year of death. The due date for filing returns when a taxpayer dies. What options are available to pay any balance due. Why a Clearance Certificate should be obtained.

Chapter 3 | Reporting Income

How to report income earned and paid prior to death. How to pension income split between spouses in the year of death. How to report income earned prior to death but not paid until after death. How to report income earned after death. How to report death benefits. How to report pandemic-related income and repayment, if required, on the final tax return.

Chapter 4 | Capital Gains & Capital Assets

Preparation of final returns for taxpayers who have capital gains and assets at death, including returns for single taxpayers and those with surviving spouses where assets are transferred to the survivor. Preparation of final returns for farmers and fishers where the family business or property is transferred to a family member at death. Preparation of the necessary forms to complete to comply with the reporting requirements for the sale or deemed disposition of a principal residence.

Chapter 5 | Registered Accounts

What happens to a TFSA, including who it can directly transfer to, at death? What happens when the deceased had RRSPs or RRIFs at the time of death? What options are available to spouses of a deceased spouse if they are an annuitant under an RRSP, RRIF or RPP? What options are available if the deceased had an outstanding balance under the Home Buyers' Plan or Lifelong Learning Plan at the time of death? What happens when a member of a Registered Pension Plan dies? What happens when the deceased is a RESP contributor or beneficiary of an RDSP?

Chapter 6 | Claiming Deductions

Which costs related to the funeral can be deducted? What deduction can be claimed on the final and optional returns in the year of death? What RRSP contributions can be made in the year of death? What RPP contributions can be made in the year of death? How outstanding securities options are treated in the year of death. How an outstanding employee home relocation loan is treated in the year of death.

Chapter 7 | Non-Refundable Credits

How to maximize personal amounts by filing optional returns. How to transfer unused amounts in the year of death. How to claim medical expenses in the year of death. What special rules apply to charitable donations in the year of death? How do charitable bequests affect the deceased's tax return?

Chapter 8 | Refundable Credits

How minimum tax affects the taxpayer's final return. How to claim the Canada Workers Benefit in the year of death. How to claim overpayments of CPP and EI in the year of death. How to claim the refundable medical expense supplement in the year of death. How to claim the new Canada Training credit in the year of death. How to claim the Canadian Journalism labour tax credit in the year of death. How to claim the employee and partner GST/HST rebate in the year of death. Who claims the GST Credit in the year that one spouse dies? What provincial credits can be claimed by a deceased taxpayer.

Chapter 9 | The Estate

You will learn how estate taxation differs from taxation of an individual taxpayer. You will learn what options are available to the personal representative of an estate to reduce and defer taxes on income earned after death. What happens if both spouses pass away in the same calendar year? You will learn about a trust account number and the new simplified method to apply for one.

Chapter 10 | Probate Planning Strategies

You will learn that probate fees are tax on assets as opposed to tax on income. You will also be introduced to some planning strategies to minimize or eliminate probate fees in high-probate jurisdictions.