



WILLS & ESTATES GLOSSARY OF TERMS

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The information provided in this document is not intended to be legal advice but rather to provide answers to a number of questions that we are commonly asked. If you have other questions, please call us and one of our lawyers or experienced staff will be happy to help you.



A

Adjustable Life Insurance Policy

Adjusted Cost Base

Administrator

Affidavit

Agent for Executor

Alternate Appointment

Alternative Minimum Tax

Annuity

Any Occupational Disability

Assets

Attorney

Attribution Rules

Autopsy



A

Adjustable Life Insurance Policy

A life insurance contract designed specifically to allow the policy owner to alter the policy's plan by changing the amount of the coverage or the amount of the premium. The insurer calculates the specific plan of insurance that can be provided based on the requested death benefit and premium. Therefore, an adjustable life insurance policy can use insurance plans that range from a term insurance policy of short duration to a limited-payment whole life insurance policy.

Adjusted Cost Base

For the purposes of determining capital gains or losses. The acquisition cost of a property or chattel, plus the cost of any improvements to the property.

Administrator

A person who administers the estate of a person deceased. The administrator is appointed by a court and is the person who would then have power to deal with the debts and assets of a person who died intestate. Female administrators are called "administratrix." An administrator is a personal representative.

Affidavit

Written declaration made under oath; a written statement sworn to be true before someone legally authorized to administer an oath.

Agent for Executor

Agent for the Executor can step in and administer all or part of the estate, thereby relieving the named executor of as many tasks associated with estate administration as required or wished.

Alternate Appointment

A secondary executor appointed in the case that the primary executor is unable or unwilling to perform his or her duties.



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Alternative Minimum Tax

This is a second parallel tax system that many wealthier taxpayers will have to consider when calculating their tax. The alternative minimum tax (AMT) is calculated by starting with your taxable income calculated according to the regular tax rules. Add certain tax preference items and adjustments required by the AMT. Only certain itemized deductions are allowed. Next, subtract an exemption amount. The result is multiplied by the amount rate for individuals. If the tax due exceeds the tax you owe under the regular tax system, you must pay the larger alternative minimum tax.

Annuity

Income from capital investment paid in a series of regular payments; “his retirement fund was set up to be paid as an annuity”.

Any Occupational Disability

Disability that disables you from a suitable occupation according to your education, training and/or experience.

Assets

Any item of economic value owned by an individual or corporation, especially that which could be converted to cash. Examples are cash, securities, accounts receivable, inventory, office equipment, a house, a car and other property.

Attorney

A professional person authorized to practice law; conducts lawsuits or gives legal advice.

Attribution Rules

The various sections of the Income Tax Act which set the rules on transferring investment capital from one family member to another. In general, any investment income generated attributes back to the source of the capital, rather than the person to whom it has been transferred.

Autopsy

Examination of a body after death. Autopsies are performed to determine cause of death, or to verify a diagnosis.



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B

Beneficiary

Bequest



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B

Beneficiary

The person designated to receive the income from a trust, estate, or a deed of trust.

Bequest

A gift of personal property by will.



C

Capital

Capital Beneficiary

Capital Cost Allowance

Capital Gain

Capital Loss

Cash Surrender Value

Casket

CCRA

Charitable Gift Annuity

Charitable Remainder Trust

Codicil

Commissioner for Taking Oaths

Consanguinity

Continuing Power of Attorney

Coroner

Convertible Term Insurance

Credit Life Insurance

Creditor

Current Assumption Whole Life Insurance



C

Capital

Wealth in the form of money or property owned by a person or business and human resources of economic value.

Capital Beneficiary

A beneficiary entitled to the capital of a trust.

Capital Cost Allowance

A taxation term, equivalent to depreciation, that makes allowance for the wearing away of a fixed asset.

Capital Gain

The profit realized when a capital asset is sold for a higher price than the purchase price.

Capital Loss

The loss incurred when a capital asset is sold for a lower price than the purchase price.

Cash Surrender Value

The amount of money you may be entitled to receive from the insurance company when you terminate a life insurance or annuity policy. The amount of cash value will be determined as stated in the policy.

Casket

Box in which a corpse is buried or cremated.



CCRA

Now known as CRA – Canada Revenue Agency – Administers tax laws for the Government of Canada and for most provinces and territories as well as various social and economic benefit and incentive programs delivered through the tax system.

Charitable Gift Annuity

A contract between the donor and a charity in which the donor transfers assets to the charity. The charity agrees to pay a specified sum of money each year to the donor, for a fixed period (usually life). The assets exceed the present value of the expected payments to the donor, and the charity receives the surplus (mortality tables are used to make this calculation). The donor can claim as a charitable tax deduction the difference between the present value of the expected payments and the value of the assets.

Charitable Remainder Trust

A legal device used to set aside money or property of one person for the benefit of one or more persons or organizations. Specifically, this type of trust allows one to take a deduction for a gift to the trust in the year in which the trust is formed. One receives income from this type of trust for life and after one's death, the assets pass to the charity you designated.

Codicil

An amendment or supplement to a will. It must be executed with all the legal formalities of the will itself.

Commissioner for Taking Oaths

Someone authorized by the province to swear or “commission” affidavits. Lawyers and court clerks are commissioners for oaths. Often banks and real estate offices have commissioners.

Consanguinity

Genetic relationship. Consanguineous individuals have at least one common ancestor in the preceding few generations.

Continuing Power of Attorney

An enduring power of attorney that will remain effective even if you become mentally incapable.



Coroner

A public official who investigates by inquest any death not due to natural causes.

Convertible Term Insurance

Term insurance which can be exchanged (converted), at the option of the policyowner and without evidence of insurability, for a permanent insurance policy.

Credit Life Insurance

A type of insurance often bought by mortgagors because it will pay off the mortgage debt if the mortgagor dies while the policy is in force.

Creditor

A person to whom money is owed by a debtor; someone to whom an obligation exists.

Current Assumption Whole Life Insurance

Nonparticipating whole life policy in which the cash values are based on the insurer's current mortality, investment, and expense experience. An accumulation account is credited with a current interest rate that changes over time. Also called interest-sensitive whole life insurance.



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D

Deemed Disposition

Deferred Gift

Dependent Life Insurance

Devise

Devolve

Disability

Disability Income Insurance

Disclosure Statement



D

Deemed Disposition

When CCRA deems that you have disposed of all your assets on your death and that any capital gains would be then deemed realized and tax would therefore be due.

Deferred Gift

A donation to charity that you make plans for now but pay in the future. A deferred gift is usually paid after death.

Dependent Life Insurance

Group life insurance made available to group members, usually on an optional and contributory basis, to cover the spouse, children, or other dependents of the group member. It is usually sold in small amounts, which are intended to pay funeral expenses.

Devise

A will disposing of real property.

Devolve

Pass on or delegate to another; "The representative devolved his duties to his aides while he was in the hospital.

Disability

A person with a disability is defined as a person that has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment. Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, working and receiving education or vocational training.



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Disability Income Insurance

A form of health insurance that provides periodic payments to replace income, actually or presumptively lost, when the insured is unable to work as a result of sickness or injury.

Disclosure Statement

Lenders are required to provide the borrower with a disclosure statement before issuing a loan. The disclosure statement provides the borrower with information about the actual cost of the loan, including the interest rate, origination, insurance, and loan fees, and any other kinds of finance charges.



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E

Encroach (on Capital)

Endowment Fund

Enduring Power of Attorney

Escheat

Estate

Estate Freeze

Exclusions and Limitations

Executor



E

Encroach (on Capital)

The act of paying the beneficiary portions of capital being held in trust for the said beneficiary.

Endowment Fund

A fund whose principal must be maintained inviolate but whose income may be expended. An endowment fund is accounted for as a trust fund.

Enduring Power of Attorney

A legal document granting a named person the authority to act on your behalf which remains in force until cancellation or death even if you become mentally incapable of dealing with your own affairs.

Escheat

Where property is returned to the government upon the death of the owner, because there is nobody to inherit the property.

Estate

Everything you own; all of your assets (whether real property or personal property) and liabilities.

Estate Freeze

Techniques used to control the future appreciation of assets for the purpose of reducing estate taxes.

Exclusions and Limitations

Medical services that are either not covered or limited in benefit by an individual's insurance policy.

Executor

A person appointed by a testator to carry out the terms of the will.



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F

Fair Market Value

Family Income Life Insurance

Fiduciary

Fiduciary Duty



F

Fair Market Value

The highest price that a buyer, willing but not compelled to buy, would pay, and the lowest a seller, willing but not compelled to sell, would accept.

Family Income Life Insurance

A combination of whole life and decreasing term insurance. A lump sum is paid when the insured dies, an income will also be paid to help support the insured's family.

Fiduciary

A person legally appointed and authorized to hold assets in trust for another person and manage those assets for the benefit of that person.

Fiduciary Duty

The holding in trust of something by one person for another. Also applies to legal, real estate and business relationships.



G

General Power of Attorney

Gift in Kind

Gift to the Crown

Grant of Probate

Group Insurance

Group Ordinary Life Insurance

Guardian



G

General Power of Attorney

A power of attorney authorizing the agent to carry on business or an enterprise for the principal.

Gift in Kind

A gift of an asset that is not money.

Gift to the Crown

A gift to a provincial or federal government or crown establishment.

Grant of Probate

A certificate, issued by the court, granted to the executor that confirms authority to administer an estate.

Group Insurance

Any insurance plan under which a number of employees and their dependents are insured under a single policy, issued to their employer, with individual certificates given to each insured employee; the most commonly written lines are life and accident and health.

Group Ordinary Life Insurance

Group insurance plan providing life insurance for employees. Traditional whole life policy is split into decreasing insurance protection and increasing cash values.

Guardian

A person who cares for persons or property.



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H

Health Care Practitioner

Health Insurance

Holograph Will



H

Health Care Practitioner

An individual registered, under provincial legislation, to provide health and personal care.

Health Insurance

Insurance against financial losses resulting from sickness or accidental bodily injury.

Holograph Will

A will written entirely in the testator's handwriting and not witnessed. Some jurisdictions recognize holograph wills, other do not. Still other jurisdictions will recognize a will as "holograph" if only part of it is in the testator's handwriting (the other part being type-written).



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I

Incapable/Incompetent

Income

Income Beneficiary

Indexed Life Insurance

Interment

Inter vivos Trust

Intestate

Intestate Distribution

Irrevocable Trust

IRS

Issue



I

Incapable/Incompetent

Lacking the necessary ability, capacity, or power.

Income

The financial gain (earned or unearned) accruing over a given period of time.

Income Beneficiary

The beneficiary of a trust who is entitled to receive the income from it.

Indexed Life Insurance

A whole life plan of insurance that provides for the death benefit of the policy and, consequently, the premium rate to increase automatically every year in accordance with any increase in the Consumer Price Index.

Interment

The process whereby a casketed body is placed into a burial vault in a grave.

Inter vivos Trust

A trust created during the grantor's lifetime, which becomes effective during the grantor's lifetime as opposed to a testamentary trust, which takes effect at the death of the grantor. An inter vivos trust is also known as a living trust.

Intestate

To die without making a will or leaving instructions for disposal of your property after death.



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Intestate Distribution

The process of distributing an estate, with a preset formula, in the case that an individual dies without a valid will.

Irrevocable Trust

A type of trust that cannot be revoked or changed.

IRS

The Internal Revenue Service (IRS) is the federal agency responsible for enforcing US tax laws and collecting taxes.

Descendants of a person, including not only children but grandchildren, great-grandchildren and more remote descendants.



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J

Joint Tenants



J

Joint Tenants

People who own property jointly. The interests are not split between them - they are co-owners. If one owner dies, the other joint tenant/s automatically succeed to the interest that the deceased joint tenant held. This kind of ownership is most commonly used by married couples, who often prefer to own property as joint tenants.



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K

Key-person Insurance



K

Key-person Insurance

Insurance designed to protect a business firm against the loss of business income resulting from the death or disability of an employee who is important to the company's operation.



L

Legacy

Letters of Administration

Letters of Administration with Will Annexed

Letters Probate

Life Insurance

Life Interest

Life Support

Life Tenant

Limited Power of Attorney

Living Trust

Living Will



L

Legacy

Property or money bequeathed to someone in a will.

Letters of Administration

Legal document issued by a court that shows an administrator's legal right to take control of assets in the deceased person's name.

Letters of Administration with Will Annexed

Legal document issued by a court that shows an administrator's legal right to take control of assets in the deceased person's name in the case that the named executor is unable or unable to fulfill his or her duties.

Letters Probate

Court grant confirming the Executor named in the Will. Includes the official transcript of the will.

Life Insurance

An agreement that guarantees the payment of a stated amount of monetary benefits upon the death of the insured.

Life Interest

A form of property ownership, also known as a life estate, giving the holder (the life tenant) an interest in the property to possess, use, and enjoy the property, or income from the property, for the duration of their life. Upon the death of the holder, the remainder interest automatically reverts to the original owner or passes to a beneficiary (known as the remainder person).

Life Support

Medical equipment that assists or replaces important bodily functions and so enables a patient to live who otherwise might not survive; "the patient is on life support".



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Life Tenant

A person entitled to the use of real estate or the income from that real estate for the duration of his or her life. The ownership rights go to the remainderman on the death of the life tenant.

Limited Power of Attorney

A legal document that empowers the trade manager to deal with the various parties of the transaction on behalf of the owner of the funds (the Principal). Transactions will not happen without this instrument.

Living Trust

A trust that an individual establishes during the individual's lifetime, enabling the person to control the assets contributed to the trust. Also known as an inter vivos trust.

Living Will

A written document, which states the wishes of an individual in advance concerning the use of life saving devices and procedures in the event that the person is terminally ill or has suffered an injury and is no longer competent.



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M

Marker

Mausoleum

Mental Incapacity

Monument



M

Marker

Some conspicuous object used to distinguish or mark something.

Mausoleum

A large burial chamber, usually above ground.

Mental Incapacity

An inability through mental disorder or mental retardation of any sort to carry on the everyday affairs of life or to care for one's person or property with reasonable discretion.

Monument

An upright memorial, including what used to be called a tombstone, also includes large structures like obelisks, usually made from granite.



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N

Natural Death

Next of Kin

Notarized or Notarial Copy



N

Natural Death

Death by means other than accident or homicide.

Next of Kin

The nearest blood relative of a deceased. The expression has come to describe those persons most related to a dead person and therefore set to inherit the deceased's property.

Notarized or Notarial Copy

To certify or attest to (the validity of a signature on a document, for example) as a notary public.



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O

Oath

Own Occupation Disability



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O

Oath

A commitment to tell the truth (especially in a court of law); to lie under oath is to become subject to prosecution for perjury.

Own Occupation Disability

A Disability from your occupation.



P

Palliative Care

Persistent Vegetative State

Personal Care

Personal Property

Personal Representative

Per Stirpes

Planned Giving

Power of Attorney

Power of Attorney for Personal Care

Precedent

Pre-existing Condition

Present Gift

Probate

Probable Assets



P

Palliative Care

Palliative care concentrates on your quality of life and that of your family. It focuses on controlling pain and other symptoms, and meeting a person's social, emotional and spiritual needs.

Persistent Vegetative State

A condition in which the patient is unable to speak or follow simple commands and does not respond in any psychologically meaningful way. The transition from coma to a vegetative condition reflects changes from a period of no response to the internal or external environment (other than reflexively) to a state of wakefulness but with no indication of awareness.

Personal Care

Refers to assistance provided by another person to help with walking, bathing, eating, and other routine daily tasks. It is provided by aides who are not medical professionals but are trained to help with these tasks.

Personal Property

Any property that is not real property e.g., cars, boats, furniture, appliances, and mobile homes not affixed to land are all personal property.

Personal Representative

A person who has the authority to administer a deceased individual's estate (e.g. an executor named in a will or a person with Letters of Administration from a court).

Per Stirpes

A method of dividing an estate so that children act as a group, rather than individually, taking what their deceased ancestor was entitled to.



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Planned Giving

The integration of personal, financial, and estate planning concepts with the individual donor's plans for lifetime or testamentary giving.

Power of Attorney

Legal document that authorizes another person to act on one's behalf. A power of attorney can grant complete authority or can be limited to certain acts and/or certain periods of time.

Power of Attorney for Personal Care

A document, which gives a defined representative authority to make personal care choices for you if you become mentally incapacitated.

Precedent

An example that is used to justify similar occurrences at a later time.

Pre-existing Condition

A health condition (other than a pregnancy) or medical problem that was diagnosed or treated during a specified timeframe prior to enrollment in a new health plan. Some pre-existing conditions may be excluded from coverage during a specified timeframe after the effective date of coverage in a new health plan. Plan documents will provide specific information on pre-existing conditions.

Present Gift

A donation to charity made at present time, not in the future.

Probate

A court procedure for settling the personal and business affairs of a decedent by formally proving the validity of a will and establishing the legal transfer of property to beneficiaries, or appointing an administrator and supervising the legal transfer of property to heirs if there is no valid will.



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Probatable Assets

Assets which form part of a deceased's estate as named in the will including personal investments, RSPs, RIFs, insurance and real estate.



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Q

No terms available.



R

Real Property

Regular Occupation Disability

Renewable Term Insurance

Residue

Residuary Beneficiary

Revenue Canada

Revocable Trust



R

Real Property

Land and anything permanently affixed to the land; including structures, trees, minerals, and the interest, benefits and rights thereof.

Regular Occupation Disability

Disability from your own occupation if you choose not to work in an another occupation.

Renewable Term Insurance

Term insurance which can be renewed at the end of the term, at the option of the policy owner and without evidence of insurability, for a limited number of successive terms. The rates generally increase at each renewal as the age of the insured increases.

Residue

All that remains of your estate after all specific and pecuniary bequests have been made, and all taxes and any outstanding debts have been paid.

Residuary Beneficiary

The beneficiary designated to receive all estate residue.

Revenue Canada

Canada Revenue Agency - Administers tax laws for the Government of Canada and for most provinces and territories as well as various social and economic benefit and incentive programs delivered through the tax system.

Revocable Trust

A trust that can be changed after it is established. Assets can be added or removed from the corpus of the trust, the beneficiary(ies) can be changed, and other changes including termination of the trust, are allowed. A revocable trust becomes irrevocable upon the death of the grantor.



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S

Second-to-Die Life Insurance

Settlement

Settlor

Specific Bequest

Specific Divise

Spousal Trust

Surrogate Court

Survivorship Insurance



S

Second-to-Die Life Insurance

Insurance insures two people and pays benefits only after the second person dies.

Settlement

The completion of a transaction, wherein securities and corresponding funds are delivered and credited to the appropriate accounts.

Settlor

Person who sets up a trust. Also called grantor, trustor, and occasionally, donor.

Specific Bequest

A gift under a Will of a specific item of personal property or a specific cash amount.

Specific Divise

A gift left in a will of a particular item including real property, personal property or cash.

Spousal Trust

A trust, which entitles the spouse to all income for his or her lifetime.

Surrogate Court

The court responsible for appointing personal representatives and normally involved when problems arise during the administration of an estate.

Survivorship Insurance

A form of insurance which pays a death benefit only upon the death of the last surviving insured person. Often used by a married couple in estate planning also called dual life insurance or second-to-die insurance.



T

Terminally Ill

Term Life Insurance

Testamentary Trust

Testate

Testator

Total and Permanent Disability

Transfer

Transmission

Trust

Trustee



T

Terminally Ill

Persons with an incurable or irreversible illness at the end stage that will result in death within a short time.

Term Life Insurance

A contract that provides a death benefit but no cash build up or investment component. The premium remains constant only for a specified term of years, and the policy is usually renewable at the end of each term.

Testamentary Trust

A will can have a trust written into it, called a Testamentary Trust, which is set into motion by the Court after the will reaches a certain point of execution, and is used only after the death of the person whose estate it represents.

Testate

Having made or left a valid will.

Testator

Person who makes a valid Will.

Total and Permanent Disability

Permanent disability from working.

Transfer

A change of ownership from one person or party to another.



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Transmission

The transfer of a signal, message, or other form of information from one location to another.

Trust

Property is held and managed by a person (trustee) for the benefit of another (the beneficiary). The terms of the trust are generally governed by a contract which you, the grantor, have prepared when you establish the trust.

Trustee

A person (or institution) to whom legal title to property is entrusted to use for another's benefit.



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U

Underwriting

Universal Life Insurance

Urn



U

Underwriting

The process of evaluating a loan application to determine the risk involved for the lender. Underwriting involves an analysis of the borrower's creditworthiness and the property itself.

Universal Life Insurance

A flexible premium life insurance policy under which the policy owner may change the death benefit from time to time (with satisfactory evidence of insurability for increases) and vary the amount or timing of premium payments. Premiums (less expense charges) are credited to a policy account from which mortality charges are deducted and to which interest is credited at rates, which may change from time to time.

A container into which cremated remains are placed, made of metal, wood or stone.



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V

Vault

Visitation Period



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V

Vault

The outer burial container which houses the casket in a below ground burial space. Usually made of concrete, steel or copper.

Visitation Period

A watch kept over the deceased, sometimes lasting the entire night preceding the funeral, also known as a wake.



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W

Waiver of Premium

Whole Life Insurance

Will

Wills Variation Act



W

Waiver of Premium

A provision that sets certain conditions under which an insurance policy would be kept in full force by the company without the payment of premiums. It is used most frequently for those policyholders who become totally and permanently disabled, but may be available in certain other cases.

Whole Life Insurance

This is life insurance that remains in force during the life of the insured, provided premiums are paid as specified in the policy. Whole life builds a cash value as a result of the level premium approach to funding the death benefit.

Will

A legal document declaring a person's wishes regarding the disposal of their property when they die.

Wills Variation Act

Provincial statute allowing a spouse, dependent child or other party to gain benefits from the estate of a deceased if not sufficiently provided for by the will.



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X

No terms available.



WILLS & ESTATES GLOSSARY OF TERMS

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Y

No terms available.



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Z

No terms available.