

## Technical Information Circular # 2

### ESTATES AND DECEASED INDIVIDUALS

#### Eligibility

Estates and beneficiaries are eligible for benefits under the AgriStability Program if all the eligibility requirements are met (page 5 of the Program Handbook). The executor/executrix must notify the AgriStability Program Administration of the participant's death with a copy of the death certificate and all applicable sections of the Will pertaining to the farm operation. For those deceased participants intestate (i.e. without a Will), the Administration requires Letters of Administration or other documentation which identifies the executor of the estate.

#### Filing

In the case of deceased participants, the filing of more than one income tax return may be involved. The Production Margin for deceased Participants for the Program Year in which the death occurs will be based on their final return (start of Program Year to the date of death), plus any return filed from the date of death to the end of the Program Year.

Inventory, prepaid expenses, deferred income or accounts receivable, and accounts payable existing at the date of death (or at the end of the fiscal period if more than one return is filed) shall be accrued to the final return. If an optional return for the year of death for a deceased Participant is filed (such as a return of rights and things) the information must be submitted to the AgriStability Administrator.

When the death of a participant results in less than 12 months of income and expenses being reported in the Program Year, the Program Year may be treated as a stub period (see the Technical Information Circular 5 on *Stub Periods* for more information).

A beneficiary whose farming operation consists of all or most of the deceased participant's farming operation may be considered to continue to operate the same farming operation as the deceased. If there is more than one beneficiary, a common business arrangement (i.e. a partnership, corporation, etc.) must be created to carry on the same farming operation as the deceased participant in order to retain the reference history.

The reference margin for estates will be calculated under the method elected by the April 30 deadline for the Program Year.

#### Responsibilities of Executor/Beneficiary

As noted above, the executor / beneficiary is responsible for meeting all program requirements as well as submitting tax information and completed Supplementary Information Forms. Note that the program fees paid by the deceased participant may be transferred to a continuing operation at the direction of the executor / beneficiary.

- See Part 1 – Eligibility 1.2 Deceased Participants section of the Sustainable Canadian Agricultural Partnership – Program Guidelines.