

## Your Debt Does Not Disappear After You Die

After you die, everything that you own becomes your **estate**. This includes your money, property, and debt. Your **creditors** – the people you owe money to – have a right to get money from your estate to pay off your debt. Your **executor** – the person who manages your estate – has to pay off your debt completely before they can give anything to your family.

## Jointly Owned Property

While creditors can take money and property from your estate to pay off your debts, they cannot take anything that is **jointly owned**. For example, if you owned your house jointly with your spouse, creditors cannot take it or sell it to pay your debts.

However, just because two people have their names on a house or a bank account does not automatically make them joint owners. It can be complicated to figure out if something is jointly owned. If you have questions about this, you should get legal advice.

## Life Insurance and Registered Plans

You have the option to give money to someone through your life insurance policy when you die. You can also decide who should get the money that is in certain bank accounts, like tax free savings accounts and retirement plans. The person who gets the money is called your beneficiary. If you have named a beneficiary on one of these policies or plans, creditors cannot take this money to pay your debts.

## What Happens if Your Estate Cannot Pay All of Your Debt

Don't worry - nobody can inherit your debt when you die. If there is not enough money in your estate to pay all of your debt, anything left over cannot be collected. Creditors cannot contact your family members about your extra debt, with one exception: if a family member co-signed or guaranteed a debt, they could be responsible for paying it after you die.

You should get legal advice from your local community legal clinic if someone asks you to pay a debt that you do not think you owe.

For more legal information about debt and the law visit [www.stepstojustice.ca](http://www.stepstojustice.ca)

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This column, written by staff or volunteer lawyers with the Community Advocacy & Legal Centre (CALC), provides general legal information only about current laws. If you need legal advice you should contact a lawyer. If you are living on a low income you may be eligible for free legal help. Contact your local community legal clinic if you need help with income programs, workers' or tenants' rights, consumer problems, or human rights. Call CALC at 1-877-966-8686 or visit [www.communitylegalcentre.ca](http://www.communitylegalcentre.ca). If you have a criminal, family or immigration law problem, contact Legal Aid Ontario at 1-800-668-8258 or visit [www.legalaid.on.ca](http://www.legalaid.on.ca).

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