

ESTATE PLANNING FOR PHILATELIC COLLECTION

“We are the temporary custodians of our philatelic gems.”

Philatelic Specialists Society of Canada 2026

Disclaimer This guide is provided for informational purposes only and does not constitute legal advice.

Summary

This document explains why and how stamp collectors should plan for the future of their collections, particularly in cases of incapacity or death. Its goal is to protect the value of their collections, reduce stress for heirs, and ensure collectors' wishes are respected.

Purpose and Overview

This guide explains **why and how stamp collectors should plan for the future of their collections**, particularly in the event of incapacity or death. Its purpose is to help collectors:

- Protect the financial and historical value of their collections
- Reduce stress and confusion for heirs and estate administrators
- Ensure that their wishes are clearly understood and respected

Estate planning for collections does not require legal expertise at the outset. While professional advice is important, the most critical first step is documenting your intentions clearly so your executor can act with confidence.

Glossary

- **Album** – A hardcover book with printed pages designed to hold stamps.
- **Auction realization** – The price an item sold for at auction.
- **Catalogue** – A reference book listing stamps, descriptions, and indicative prices (e.g., Scott, Stanley Gibbons).
- **Cover** – An envelope; also refers to a folded sheet enclosing a letter, sealed with wax or a wafer.
- **Exhibit** – Philatelic material mounted on pages for competitive display.
- **Expert certificate** – A document issued by a philatelic organization or an individual recognized for their expertise in philatelic items, showcasing the item in question and stating an opinion on its authenticity.
- **Market value** - The price an item currently sells for, regardless of catalogue value.
- **Mounted stamps** – Stamps affixed to pages.
- **Philatelic auction house** – A firm specializing in stamp auctions (see the Canadian Stamp Dealers Association: <https://www.csdaonline.com>).
- **Philatelic awards** – Certificates, medals, trophies, and similar prizes earned in exhibitions.
- **Philatelist** – A person who collects or studies stamps and postal history.
- **Private treaty** – A sale negotiated directly between buyer and seller.
- **Stamp Dealer** – A professional buyer and seller of stamps. [See the Canadian Stamp Dealers Association: <https://www.csdaonline.com/>]
- **Stock book** – A book with pocketed pages for storing stamps.

Why Estate Planning Matters

Many collectors devote decades to building their collections but give little thought to what will happen afterward. Without clear instructions, heirs—often unfamiliar with philately—may undervalue, mishandle, or hastily dispose of material.

Proper planning can:

- Maximize the eventual value realized
- Simplify administration for executors
- Prevent disputes among heirs
- Ensure that important items are neither overlooked nor misidentified

Dealers and auctioneers consistently report that **well-organized collections achieve far better results** than disorganized accumulations.

Core Components of Estate Planning

Effective estate planning for philatelic collections includes:

- Advance preparation for eventual disposition
- A comprehensive and current inventory
- A realistic valuation based on market conditions

Consider this

- Besides being useful for estate planning, organized records show what you own and what's missing if you keep collecting.
- Your inventory helps negotiate with insurers after a loss.
- If you become incapacitated, the collection can be sold efficiently.
- Clear instructions prevent confusion and disputes among heirs. (*Dealers and auctioneers dislike handling collection left to confused or distrusting spouses and heirs.*)

Key Steps in the Estate Planning Process

1. Get organized and stay organized.
2. Prepare an Inventory.
3. Prepare a reasonable valuation.
4. Record special bequests.
5. List Options for Disposal.
6. Prepare instructions for your administrator.
7. Consider the Tax Implications of the sale.

1. GET ORGANIZED AND STAY ORGANIZED

Dealers and auction houses describe the worst scenarios as collections stored in shoeboxes, envelopes, tins, or banker's boxes. Such collections are difficult to assess and often sold in bulk at reduced prices.

Disorganized collections result in:

- Overwhelming work for heirs
- Difficulty identifying valuable items
- Higher evaluation fees
- Greater risk of loss or theft
- Lower sale prices

As one auctioneer put it:

"If it arrives in shoeboxes, it goes out that way."

Material that dealers and auctioneers prefer includes:

- Intact exhibits
- Covers and specialized items mounted on pages with supporting research
- Printed albums arranged in catalogue order
- Stock books organized in catalogue sequence

Even a partial inventory or valuation is far better than none.

2. PREPARE AN INVENTORY

Your inventory should identify:

- Each album and stock book and its contents
- Where materials are stored (shelves, office, safety deposit box, etc.)
- Items with expert certificates
- Exhibits, including titles, number of pages, and page contents
- High-value items, with images
- Your philatelic library and awards

This inventory will be indispensable to your heirs and estate administrator.

3. PREPARE A REASONABLE VALUATION

A realistic valuation is essential. Overvaluation leads to disappointment; undervaluation shortchanges your heirs.

Keep in mind:

- Catalogue value is **not** market value
- Condition has a decisive impact on price
- Average or defective items sell at significant discounts
- Forced sales often realize lower prices

Where possible, record:

- Catalogue value
- Replacement value for comparable material
- Likely realization in a forced sale

Maintain supporting documents such as expert certificates, receipts, and auction records. Update valuations regularly as market conditions change.

If discretion is desired, valuations may be sealed with instructions for when they are to be opened.

4. RECORD SPECIAL BEQUESTS

Any promises or intended gifts must be documented in writing. Include clear descriptions and images to avoid disputes.

Options include:

- **Bequest to heirs** who are knowledgeable collectors
- **Donations** to collectors, museums, or societies (which may provide tax receipts)
- **Outright gifts** to family members or clubs to encourage interest in philately

5. LIST OPTIONS FOR DISPOSAL

Possible methods include:

- **Self-managed disposal** (the preferred option whenever possible)
- **Stamp club sales** for lower-value material
- **Sales to dealers** (obtain at least two offers)
- **Auction sales** for higher-value collections
- **Society auctions** for specialized material

Speed versus value considerations:

- **Fast:** Direct sales, lower return
- **Medium:** Dealer sales after assessment

- **Slow:** Private treaty or auction, potentially higher returns

6. PREPARE INSTRUCTIONS FOR YOUR ADMINISTRATOR

Provide written guidance that includes:

- Location of inventories and valuations
- Insurance details
- Names of trusted dealers, auction houses, and advisors
- Instructions for sale or distribution
- Timelines for dispersal

Emphasize that disposal is a **business transaction** and that the lowest-cost option is not always the best.

7. CONSIDER THE TAX IMPLICATIONS OF THE SALE

Philatelic collections fall under **Listed Personal Property (LPP)** for Canadian tax purposes, alongside art, jewelry, rare books, and coins.

Key considerations include:

- Capital gains on disposition or deemed disposition
- Losses from LPP may only offset gains from LPP
- Accurate records of acquisition costs are essential

Professional tax advice should be obtained, as laws and interpretations change.

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