



Estate Planning:

Thinking ahead for you and your loved ones.

The goals of an estate plan are to reflect your values and, importantly, to look after your loved ones. A loss in the family is difficult on those closest to us; an effective, tax-efficient estate plan can alleviate some of the financial and administrative burdens on them. Estate planning is a complex exercise; as such, it is beneficial to obtain professional advice to help ensure a smooth transition, and that your legacy remains intact and reflects each stage of your life. We designed this high-level checklist to guide you through important considerations for an effective estate plan.

1 Will

Assets

- *Ensure you maintain an up-to-date list of all assets and liabilities.*
- *Ensure your will indicates the jurisdiction holding your assets and the procedures involved in distributing these assets.*
- *Be aware of what assets will be involved in the probate process and whether it makes sense to reorganize your assets.*
 - *Registered accounts (RRSP, TFSA, RRIF) and insurance products will include a beneficiary option while joint accounts typically have right of survivorship (i.e., both outside the probate process).*

Beneficiaries

- *Ensure your will specifically states who will inherit your assets.*
- *If beneficiaries are minors, you may have to consider alternatives (e.g., setting up a testamentary trust).*
- *Consider if the beneficiaries have physical or health-related issues that may have an impact on them receiving your assets.*

Executor

- *The executor you appoint will carry out the responsibility of distributing assets while following the legal process of administering the estate.*
- *Consider if the executor is the appropriate person to carry out the responsibilities. Your executor is required to be a Canadian resident but equally important are personal considerations such as their ethics, willingness and trustworthiness, and the age and health of the person.*
- *Ensure that you communicate your wishes to the executor.*



2 Power of Attorney

- A power of attorney is a legal document that appoints someone you trust to make decisions for you if you become unable to do so (e.g., if you are incapacitated due to a short-term or permanent illness, or accident).
- Ensure the person you appoint is capable and understands your wishes.
- Ensure you have an alternative person in mind in case the person you choose is unable to serve.

3 Documentation

- Ensure all your important documentation is known and available to key members involved in your estate (and, ideally, that these documents are kept in a centralized place).
- This includes passwords to financial institutions as well as online accounts (e.g., social media, organization tools and email accounts).

4 Financial Planning

- Ensure you have a plan for the estimated tax bill and probate fees at your death.
- Consider ways of reducing some of these taxes and fees involved.
- Ensure there is enough money set aside to pay for taxes, funeral costs, and other expenses.
- Consider if it makes sense to organize assets so they fall outside your estate at your death.
 - This reduces probate fees, taxable gains, and allows assets to pass to the beneficiary more quickly (probate can take six months to be completed).

5 Advanced Planning

Insurance

- Ensure you have adequate life and disability insurance policy.
- You can use life insurance to reduce and eliminate significant estate-related tax bills.

Trusts: Consider if setting up a trust makes sense for you

- *Inter Vivos Trust*: A trust that allows you to carry out your wishes while you are still alive.
- *Testamentary Trust*: A trust that is set up after your death, which carries out your wishes.



Business Owners

- *Ensure you have a succession plan that includes the named successor, communication with your family, as well as how and when to pass on ownership/control of your business.*
- *Ensure you consider the tax implications, including ways to reduce or defer taxes (e.g., using strategies such as an estate freeze or trusts).*
- *Consider obtaining business insurance, especially for businesses with multiple owners.*

Often, we think we have lots of time to prepare an estate plan, but life happens quickly. A well-thought-out estate plan, created with professional advice and updated regularly, supports a smooth transition when the time comes.

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