Estate planning

Let's face it; death is a subject no one enjoys thinking about, which may account for the estimated 50 per cent of Canadians who don't make a will. However, we owe it to our family and friends to have a basic plan in place that will ensure the smooth and speedy transfer of our assets after death, with minimal tax and cost ramifications.



You may have thought that estate planning was only for the wealthy, but in today's complex legal and financial environment, it's essential for everyone. Think of it as your plan to ensure your wishes will be carried out, and your assets will be distributed to the people and places you want.

We recommend you work with a lawyer or your bank's estate planning department to draw up your estate plan. Here are some tips to help you understand the basic steps you will need to take and the options you can consider:

1. **Make a list of all your assets and liabilities.** Include details such as the beneficiaries you've named for insurance policies, retirement plans, etc.
2. **Identify your estate planning objectives.**Who do you want your assets to go to? How and when do you want assets distributed?
3. **Develop a plan of action that will meet your objectives.**
4. **Draw up documents, including a will, to ensure your plan of action will be implemented.** Your will also identifies the person or persons you would like as executors.

Ways to transfer estate assets

There are various options as to how you can transfer estate assets. Here are some suggestions:

- A will is the cornerstone of your estate plan and is the way you ensure your wishes will be carried out.
- A testamentary trust begins upon your death and is funded by the proceeds of your estate. Beneficiaries receive funds at an age you have specified or as income paid out over their life.
- A living or family trust begins while you are alive, funded by current assets. It may have both estate planning and tax planning benefits.
- Joint ownership is established while you are alive and can provide for automatic transfer of straightforward assets after your death to a beneficiary such as your spouse.
- Gifting assets before death allows you to begin distributing your assets while you are alive.

Other types of planning

Other planning options include:

- Consider pre-planned funeral arrangements, which allow for payment before your death along with your choice of funeral home, service and cemetery.
- Recognize that even while you are alive, critical illness can leave you unable to make decisions.
- Look into options such as power of attorney and enduring power of attorney.
- Consider making a living will, which will include your wishes regarding medical care in the event of terminal illness.

Although it's easy to get caught up in living for the moment, it's important to think and plan ahead. Consider working with a lawyer to sort out your estate plans well in advance.