

Alzheimer Society

PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

Estate Planning – An Overview Continued

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Alzheimer Society

**BE A
SUPER HERO!**

**50% OF CANADIANS
DO NOT HAVE A WILL.**

REQUEST A PLANNER AND GUIDE

Estate Planning – An Overview Continued

Why Bother Writing a Will?

Most Canadians spend their lifetimes acquiring personal property, paying off the mortgage, saving for their children's education, building financial security by contributing to an RRSP or pension plan, and looking forward to retirement. However, like over half of Canadians, you might not have planned for the final distribution of those assets that you took an entire lifetime to build.



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Estate planning can help you maintain the money and assets you worked so hard to accumulate. You may think that you are too busy living your life to think about death.

Consider this....your Will is not about death; it is about life - the lives and protection of your loved ones and the appropriate level of support for the organizations that you helped during your lifetime.

Some people put off making a Will because they're waiting for life to settle down. They look forward to a time free of unresolved family concerns, decisions, work problems and so on. Unfortunately, such a time rarely arrives. Your Will is never made. Without a Will, your best intentions and any promises you made in life may not be realized.

What you do today can make a difference to your own well-being, to the future of the people you care about, and to the organizations that you support.

The value of having an estate plan can be measured in peace of mind, as well as in dollars. Do the best job you can today, knowing that additions or revisions to your Will can be made when you review your Will in the future.

A Will can be rewritten or amended at any time and only comes into effect when you die. The fact that a Will only becomes effective at death is an important point. Some people believe that their wishes, as detailed in a Will, will be carried out if they become ill and are unable to carry out their financial responsibilities. This is not the case. A separate legal document called a Power of Attorney must be completed to legally allow one person to act on the behalf of another. A Power of Attorney ends at death and your Will document takes over from that point.

Death and Taxes – Two Certainties of Life

There are no estate taxes or succession duties in Canada. However, taxes upon death have not disappeared. For Canada Revenue Agency (formerly Revenue Canada) evaluation purposes, all your property - stocks, bonds, RRSPs, real estate, etc. - are deemed to have been sold at fair market value on the day of your death. Some of your assets may have appreciated in value, and the increase in their value becomes taxable on your death. This also applies to your RRSP if you do not have a spouse to whom you can transfer it. Without an estate plan, you could lose nearly half of the value of the gains to Revenue Canada. While your Executor/Trustee may claim full personal exemptions on



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your final income tax return, your estate may end up paying taxes at the highest tax rate (over 50%).

Is All this Planning Expensive?

Estate planning need not be expensive or complicated.

First, who knows better than you what you want done with the things that you've worked all your life to build. However, planning does take time.

Second, seek the professional advice of an expert to guide you on the financial and legal implications of drafting your Will. This will help to ensure that you get the most favourable tax treatment possible.

Third, if you are considering a gift to a charity or charities that you support, you may wish to discuss your options with their staff to make sure that they can comply with your wishes.

For free copies of our Super Hero estate planning tools, please email Lorraine McCallum Lorraine@alzheimersjourney.ca

NEXT MONTH: Preparing Your Estate Plan

This BLOG is intended to provide an overview of Will and estate planning. It is important to stress that this is NOT a "Do-it-Yourself" guide. As the laws pertaining to estate planning and administration are ever changing, we strongly urge you to seek professional advice. This will ensure that your personal situation is considered in the context of your province's estate and trust laws.



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