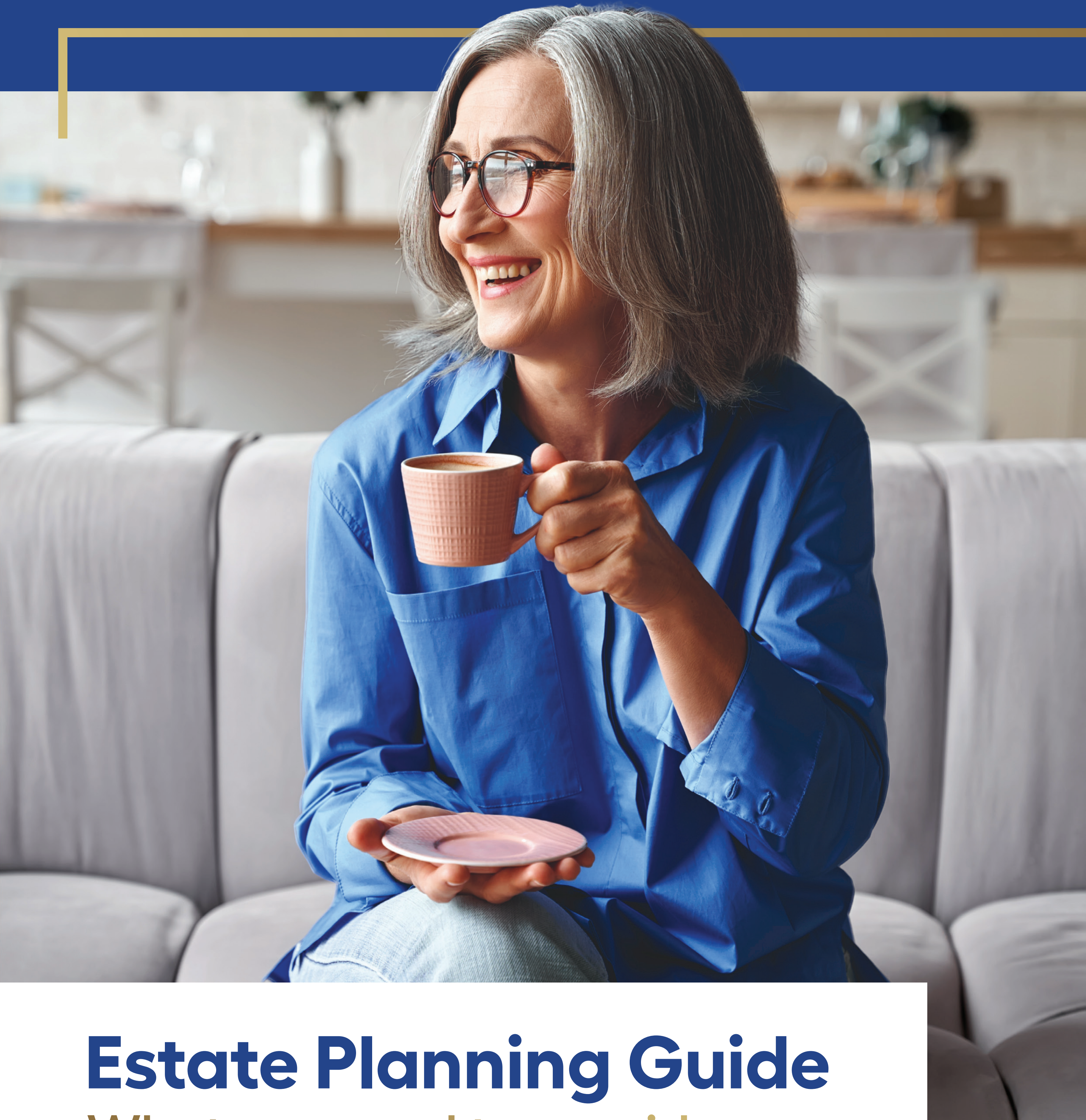

Estate Planning Guide

What you need to consider.

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estate planning
probate

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Introduction

By planning for tomorrow today, you can retain more of your assets, protect your estate and leave a lasting legacy for your family. A common misconception is that only the wealthy need to concern themselves with estate planning. This can result in significant unnecessary costs to your estate and additional burdens for survivors. In fact, just about everyone can benefit from the development of an estate plan. Young or old, wealthy or middle class, an estate plan can reduce the taxes and expenses of an estate, simplify and speed up the transition of assets to your beneficiaries and ensure that beneficiaries are protected.

1 Prepare an Inventory of your Assets and Liabilities

Following your death, it is often problematic for your executor(s) to determine your assets and liabilities and the location of your personal records. To prevent this problem, consider preparing a summary of all the assets that your currently own as well as your liabilities.

	Ownership		Beneficiary	
Assets	**Sole/Tenants in Common**	**Joint Tenancy**	**Named**	**In Will**
Bank accounts	$	$		
Investment accounts	$	$	n/a	
GICs/Term deposits	$	$	n/a	
Stocks, bonds, mutual funds	$	n/a		
RSPs	$	n/a		
RIFs	$	n/a		
RESPs	$	n/a		
TFSAs	$	$		
Annuities	$	$	n/a	
Other investments	$	$		
Life insurance	$	$		
Group life insurance	$	$		
Company pension plan	$	$	n/a	
Principal residence	$	$	n/a	
Other real estate	$	$	n/a	
Private business shares	$	$		
Other:	$	$		
Other:	$	$		
Other:	$	$		
Other:	$	$		
Total Assets	**$**	**$**		

Liabilities	**Sole/Tenants in Common**	**Joint Tenancy**	**Insurance**
Mortgages	$	$	$
Loans/Lines of credit	$	$	$
Credit cards	$	$	$
Other loans or debts	$	$	$
Income tax	$	$	$
Other:	$	$	$
Other:	$	$	$
Total Liabilities	**$**	**$**	**$**
NET ESTATE	**$**	**$**	**$**

2 Prepare Your Will

A Will is a legal document that can help ensure that your assets pass according to your wishes after your death. A Will may also help you determine if there are appropriate tax saving or deferral strategies that your executor can implement.

Your Will only becomes effective after your death. Until then, you can change the terms or revoke your Will as long as you are mentally competent. If you die without a Will (intestate), those assets that would have passed under the terms of your Will are going to be distributed according to the rules of intestacy set out in the legislation.

If you are the owner or operator of a business, you may require special provisions in your Will to deal with how the business should be managed or disposed of following your death.

3 Probate Tax Planning

Probate is the legal process of securing approval from a Court for the person entitled to administer an estate of a deceased individual. Normally your executor, with the assistance of a lawyer, will file for probate with the court where you were domiciled at the date of death. A probate tax must be paid by the estate before the official probate grant is issued. The tax is calculated at a rate of 1.5% of the total value of the assets that are part of your estate.

Often financial institutions will not release the assets of an estate to an executor unless they have received the probate grant. This general requirement by third parties is the main reason that executors obtain probate. Probate offers third parties a form of guarantee that they are transferring the deceased's assets to the correct party.

Probate is likely to be required if the estate includes any of the following assets:

- Real estate (houses, condos, apartments, cottages) owned by you solely or as a tenant in common (i.e., Owned any way but 'in joint tenancy').
- Shares of a publicly traded company (stocks listed on a stock market).
- Non-registered funds or investments held at a financial institution solely in your name and not 'in joint tenancy with right of survivorship' with another person.

Probate is not required when assets pass outside of the estate including:

- Jointly held assets with right of survivorship.
- Assets with beneficiary designation such as registered accounts (RRSP, TFSA, RRIF), pension plans, life insurance plans.
- Secondary estate assets through the multiple Will planning structure which can take certain assets out of probate. Examples include private corporate shares and valuable collections.

4 Prepare Your Powers of Attorney

Part of a complete estate plan includes planning for possible illness, accident, or other disability that leaves you unable to manage your financial affairs and personal medical care.

A Power of Attorney for Property is a legal document that allows you to appoint another individual to manage your financial affairs during your lifetime in case you are unable to do so. Similar to choosing a professional Executor, you can choose to appoint a trust company as your Attorney for Property.

A Power of Attorney for Personal Care, allows you to appoint someone to make decisions on your behalf concerning your nutrition, shelter, clothing and consent for medical treatment or withholding treatment, should you become incapable of doing so. In all cases, Powers of Attorney arrangements terminate upon your death, at which time your Will takes effect. It's a good idea to prepare your Will and your Power(s) of Attorney at the same time.

5 Periodically Review Your Estate Plan

You should alwa s be vigilant and cognizant that changes in your financial and personal situation and in legislation may require changes to your overall estate plan. Periodic revisions are a must to ensure your estate plan is still achieving your objectives.

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Prior to implementing any strategies contained in this article, individuals should consult with a qualified tax advisor, accountant, legal professional or other professional to discuss the implications specific to their situation. Please speak with your advisor.

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