

Marg Rankin



Estate Planning: Send Your Assets *Where You Want Them to Go*

Estate planning is ensuring you are prepared for a financial emergency, serious illness, or death—all potential disasters in life that we hate to think about.

The greater percentage of our population procrastinates on estate planning until a disaster hits friends and relatives.

We should prepare for the worst and hope for the best.

Here's a simple piece of advice: To save your estate substantial taxes and legal costs, get appropriate accounting advice, tax advice, and legal advice—and get your documents in order.

It's a great relief when I receive Will and Power of Attorney Planning Questionnaires back from my clients; some have left them hanging on the refrigerator door for years. How can I tell? I change the format of my questionnaire over the years. We all have a good chuckle when I tell people what year they received the form from our office.

With the information to commence the planning and the motivation to proceed, my clients and I flesh out the specific details required to complete their estate documents and consider all the potential pitfalls in their estate

planning. And I congratulate them on living long enough to get the job done.

So many people are petrified to even *think* about doing a Power of Attorney—lest they become injured or seriously ill—or a Last Will and Testament—lest they die.

**Good professional advice...
can save your beneficiaries
thousands of dollars.**

We hope never to have to use a Power of Attorney, but we will **all** have to use our Last Will and Testament at some time.

The alternative to not having a Power of Attorney or a Will is a costly application to the Supreme Court of British Columbia.

- Without a Power of Attorney, the Court must appoint a Committee (commit-tay) to manage the financial affairs of an incompetent adult.
- Without a Will, your assets will be distributed according to the *Estate Administration Act of British Columbia*. The resulting distribution may not be what you would have wished, had you done your Will.
- In either of these cases, the office of the provincial Public Guardian and Trustee must become involved in the procedure.

Be in control of your own estate. Do your documents.

Many seniors ask whether they should consider adding the names of their children to their assets as joint tenants with a right of survivorship to each other.

You must, however, ensure that you

- obtain appropriate legal and tax advice;
- consider any potential spouse or creditor claims against the portion of your estate that could now potentially be “owned” by your children; and
- ensure the protection of your alternate beneficiaries if a primary beneficiary predeceases you.

Adding your children's names to your assets to avoid the payment of probate taxes can potentially create many other problems. Good professional advice and the appropriate timing of your actions, however, can save your beneficiaries thousands of dollars.

Now that you are warmed up, here are some things to consider for your estate planning.

1. You should have a Power of Attorney to guard against injury or illness or the inability to handle your own financial affairs.
2. Beware of old Wills that appointed executors many years ago. They may no longer be alive or may no longer have the ability to contemplate doing the detailed

documentation required for a probate application or for preparing and filing your personal tax returns and your estate tax returns—all of which could take years to complete.

3. Beware of your previous appointment of guardians for your children. By the time your Will is invoked, the guardians may have a brood of children of their own or perhaps they have moved away. If you have been separated from them over the years, they may no longer be the guardians you would choose today to bring up your minor children.
4. Beware of changed terminologies in older Wills that now may be considered outmoded in our modern world and that could create conflict among the beneficiaries vying for your assets.
5. Beware of inadvertently omitting direction in your Will, due to lack of consideration of future generations of family members who still may be living at your death but whose existence you may not have been anticipated years ago. It is not uncommon for five generations of families to be alive today. It is also not uncommon for family members to have separated or divorced. You may no longer wish certain one-time family members named in your Will to benefit from your estate.
6. Beware of the “legal age” in many jurisdictions. In some areas, it is 18, 19, or even 21 years. Are your potential beneficiaries financially competent to handle large sums of money?
7. Detail your burial or cremation wishes so your family members are fully aware of what you want. State your religious convictions respecting the disposition of your remains.
8. Do you want your organs donated to science at your death? Your family must know this to make timely decisions at an extremely emotional time.

9. Ensure that the person you appoint as your trustee will be the most competent person to carry out your wishes. The job of trustee is an onerous and detailed task, no matter how straightforward you believe your estate to be.

10. Detail where you hold your assets. Your family and friends may know where you live and what car you drive, but do they know the following information?

- Who your financial adviser is?
- Where your bank accounts are?
- Where your investments are held?
- Who your life insurance broker is?
- Who your property insurance broker is?
- What your pensions are?
- How to contact your pension providers?
- What your debts are?

Make your disaster list, not only in case of your death, but in case of your serious illness or your inability to provide that information at a later date.

Your financial planner and any Notary Public or lawyer dealing with estate law will have a “disaster plan” document for you to follow. You can complete the document in paper form or put the information into your computer to make your future updates easy.

I cannot tell you how many times I have heard comments such as “Mom’s estate was so easy to deal with. We saved so much grief and taxes, thanks to the help and guidance we received.”

It doesn’t take a long time to organize your information, but it does take time.

Take the time now to plan well to leave a true gift of the details your family will need, so they don’t suffer unnecessarily through your poor organization.

Good estate planning to you all. ▲

Margaret Rankin is a Notary Public practising in North Vancouver, BC.

**#103 – 1200 Lynn Valley Road
North Vancouver, BC V7J 2A2
Voice: 604 985-5789**