



Things to Consider When Writing Your Will

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Not having a will is actually a fairly common and problematic situation for many Canadians. But having a will that is not effective can also create significant problems. If you haven't yet prepared a will or are in the process of updating one, here are some things to consider:

Think carefully about how the will is structured for your children. Although most parents would rather not think that they could both pass on simultaneously, the will should carefully plan around this possibility.

Sometimes, assets are passed to children at the age of majority without any conditions. However, transferring a significant amount of money to children at the relatively young age of 18 or 19 (depending on the province of residence) may lead to problems. Setting up a trust under the terms of your will may be one way to pass along assets while specifying the age when beneficiaries will receive them. It may also place control over the assets in the hands of a more responsible trustee to help child beneficiaries look after the assets.

When appointing guardians for your children, consider the impact on the potential guardians. Is there a way that you can plan your estate to make it easier for them as they raise your children? The terms and instructions for how funds are

distributed to guardians until children reach adulthood can be specified in the will. Remember also that if many years have gone by since appointing guardians, it may be helpful to ask if they are still willing to take on this role as their situation may have changed.

Remember which assets your will distributes (and how). A will may not include all of the assets that you hold at death. Assets held in registered accounts like Tax-Free Savings Accounts, Registered Retirement Savings Plans or Registered Retirement Income Funds, as well as certain pension plans or insurance policies, may have named beneficiaries. This generally means that these assets will pass outside of the estate. In most provinces (not including Quebec), joint assets will also pass outside of the estate. This is sometimes overlooked when equalizing an estate between multiple beneficiaries. As well, don't forget the effect of taxes in reducing the final distribution of assets passing through a will.



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Pre-plan for cash flow issues. Will there be enough cash or liquidity to pay for the estate's taxes, funeral costs or probate (in provinces where this is applicable)? There may be significant tax implications for those estates that include a family property or business. This should not be overlooked, especially if their value has significantly increased over time.

Update as things change. Regular updates to wills are commonly forgotten in the hustle and bustle of everyday life. But this is important not only when there are changes to a marital or family status, but also when the status of assets changes significantly. As well, administrative updates may be necessary, if, for example, a person named within the will experiences a name change through marriage or divorce. These updates can help to ease the future estate settlement process.

Tell someone! Finally, remember to tell a trusted friend or loved one of the location of your will. This may sound obvious, but there have been instances where estates needed to be settled through the provincial courts because a will could not be located.

Power of Attorney (POA)?

A Power of Attorney is a legal document in which you give someone you trust (called your "attorney") the right to make decisions for you if something happens and you are no longer able to look after matters on your own. This can be a spouse, adult child, sibling, or another designated person.

There are two types of Power of Attorney:

- Power of Attorney for Personal Care – the person you name can make decisions about your health care, housing and other aspects of your personal life if you become mentally incapable of making these decisions.
- Power of Attorney for Property – the person you name can make decisions about your financial affairs (including maintaining or selling your house, or managing your investments).

Discussing and planning your estate planning needs with the right person and appropriate professionals can help give you peace of mind. For more information on how we can help, contact your Canaccord Genuity Wealth Management Investment Advisor today.



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