Finance for Life™

Achieving Financial Success™

Finance for Life. Wealth for Living.™

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Please do not hesitate to contact your advisor for a Confidential Financial Review.

No Regrets For Tomorrow:
AVOID THE SELF-WRITTEN WILL

A defect or ambiguity in a self-written will could cause certain legal and/ or financial liabilities, administrative problems, quarrels in your family, or the entire will could be voided, once you are deceased. If you are wealthy, the chances of one or more of your heirs or a disinherited heir contesting your will become greater. Saving $200 by writing your own will, could after your decease, interfere with the transfer of significant capital. Non-ambiguous wording, set forth by an estate planning lawyer may best facilitate your unique bequests.

Lawyers realize when they need to consult a tax accountant or your financial advisor regarding your investment portfolio. Your lawyer may even suggest purchasing life insurance to pay off estate taxes if you own a cottage or business or will experience capital gains deemed disposed of at death. The tax-free death benefit can be paid directly to certain key heirs. This is beneficial if you want to leave cash with certain individuals while leaving large special assets such as a business or farm to others without hurting anyone's feelings.

An adage will serve you well: don't hire amateurs. Your lawyer can also prepare a reciprocal will for your spouse to equally ensure his or her interests. Knowing in advance that your debts and taxes will be paid, and assets properly left to your children, or directing how children will be cared for—especially when they are school age or disabled, requires the expertise of professionals. The added benefit is that the executor can return to the same lawyer for counsel if clarification is needed.

Better late
THAN NEVER

A testamentary trust is established in a will. It directs a named trustee to manage and distribute assets and income to named beneficiaries of the trust. You can designate the number of years it will exist, within permissible legal limits.

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Please read the funds' prospectus before investing. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Mutual funds are not guaranteed; their values change frequently and past performance may not be repeated. Any indicated rate of return is for illustration purposes only and is not intended to reflect future values of returns on investment. Please seek professional advice prior to investing. Financium, the publisher does not guarantee accuracy of information, and will not be held liable in any way for any statements or statistics in this publication, though we seek to present reliable, precise and complete information. Written permission of Financium who retains all rights, must be obtained prior to any reproduction. ©Financium. email: admin@adviceon.com

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The trust becomes effective at the time the will is probated. The assets undergo the probate process and are, therefore, exposed to creditors' claims. If your intent is to avoid probate, a living trust would be a more suitable alternative.

Individuals commonly choose between two types of trusts: family and spousal.

Family trusts are established to:

• Protect the interests of underage children and any family member with special needs
• Safeguard adult children's assets from creditors or divorce settlements
• Manage funds for spendthrift adult children
• Minimize disclosure of small business assets that could be susceptible to lawsuits or creditors

Spousal trusts are established to provide your spouse with funds. These trusts also:

• Protect your children's assets should your spouse remarry
• Assure the inheritance of children from a previous marriage
• Reduce income tax through income splitting

How to assess THE ASSETS & LIABILITIES OF YOUR ESTATE

You work hard to earn a living, save for retirement, and own property. It is important to know what your estate liabilities are in relation to capital gains, mortgage debt, car loans, unpaid taxes, and business-related liabilities. Consider reducing these liabilities.

Reduce Probate Fees *Probate fees will be based on the value of assets administered through your will.*

• Establish a spousal trust during your lifetime to hold assets or property for the sole use of your spouse.
• Own assets jointly with your spouse.
• Distribute assets or cash while alive.
• Name a beneficiary (not the estate) on life insurance policies.
• Include an alternate beneficiary on your life insurance policies in case your initial beneficiary predeceases you, or dies simultaneously (that way, probate fees will be avoided).

Reduce The Impact Of Income Taxes

• Use the spousal (and disabled child) rollover provisions of RRSPs or RRIFs.

• Leave assets that have accrued capital gains to your spouse in order to defer tax.

• Leave assets without capital gains to other (non-spouse) family members.

• While you are alive, gradually sell assets having capital gains, to avoid dealing with the gains all at once in your estate.

• Purchase life insurance to cover capital gains taxation in the estate. Taxes may be payable on gains in relation to:

  • income-producing real estate, a second residence, or cottage.
  • any other assets left to surviving family members, such as shares of a business.

• Consider charitable donations to lessen taxes in the estate.