

June 11, 2010

You've set the stage for "the talk" and everyone has agreed to join in the discussion on estate planning. Once the participants get past the dreaded "d" word, the conversation can evolve naturally to discuss many of the topics that must be addressed. Now what? What exactly needs to be covered? Here's a starting checklist to keep the discussion on track.

- 1) **Will.** Where is the will located and what are the highlights of the distribution of assets and liabilities?
- 2) **Executor.** Who is the executor and what financial arrangement is in place to compensate the executor?
- 3) **Bequests.** You may want to leave specific assets, like a cottage or business, to certain beneficiaries while treating all of them fairly. Or, you may want to make a sizeable gift to charity upon your death. These are likely spelled out in your will, but your family should be aware of them and your reasons for the bequests. It's also an opportunity for heirs to identify specific items they'd like to be bequeathed, so that they could be included in the will. Often household items have significant meaning to one child, but mean nothing to the others. Identifying them now is a way to avoid conflict later.
- 4) **Help in the home.** A large proportion of the elderly will need some sort of help in the home at some point, even if it is just while they are recuperating from an illness. While family members have historically been the first line of defense, the potential need for home care – nurse's aides, cleaners or even companions – must be thought through and considered by all participants.
- 5) **Nursing home care.** There are substantial differences across Canada in terms of the kinds of care available, the costs borne by individuals for care, residency requirements, and waiting times. Nursing homes can be necessary to provide care when an individual cannot care for him or herself safely at home and/or the family cannot provide appropriate care. Like help at home, these costs need to be planned for.
- 6) **Tax Planning.** The tax implications on death are complex and best discussed with an advisor. Your advisor can help you minimize and defer tax and other costs arising on your death to allow for a smooth and timely transfer of assets to your beneficiaries
- 7) **Health Care Directives.** In other countries, this might be known as a 'living will'. It is a document which appoints someone to make decisions about your health or personal care should you become incapacitated.



*The Elephant in the room – Once you've finally got the conversation going, what do you need to talk about?*

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- 8) **Power of Attorney.** A power of attorney is a document which authorizes someone to act on your behalf in a number of matters ranging from signing cheques, purchasing, selling or dealing with investments; collecting rents, profits or commissions; managing, buying or selling real estate, conducting business operations (but not health care). A power of attorney terminates upon your death, unlike a will which provides for the handling and distribution of your estate after your death. Both a will and a power of attorney are needed.
- 9) **Funeral wishes.** An entire range of options exists on this subject – from prepaying and preplanning the entire funeral, to simple wishes for cremation with no ceremony. If you have specific thoughts about how you'd like to be remembered, now is the time to bring them up and share them with your loved ones.

Your estate wishes are too important to leave to chance. As you can see there's plenty to think about and plenty to talk about with family. If you'd like more information about getting started on creating or updating your plan, please ask for my complimentary "Guide to Estate Planning". It's free. And I'd be happy to answer any questions you might have.