

# Your Estate Plan



Thinking about death and putting off planning your estate — one is difficult and the other is very easy. Together, if they remain ignored, the two can combine to create a sticky situation for you and your beneficiaries.

Without careful planning, your estate may be tied up in the courts for months or even years. The government could end up collecting more taxes than otherwise. And, most importantly, how your legacy is disbursed may be decided for you.

**Every Canadian adult — regardless of financial situation — should have an up-to-date estate plan that outlines the following:**

- Who is responsible for distributing your assets;
- Who gets what and when they get it;
- Who will take care of your children;
- Who will manage any trust accounts; and
- Who will make financial and medical decisions if you're incapacitated.

**To take control of your estate, we suggest the following five steps:**

1. Determine your estate planning goals.
2. Consider which estate planning tools fit your situation best.
3. Choose the people you would like to speak for you.
4. Start raising estate-planning issues with your family.
5. Keep your estate plan up to date.

# Your Estate Plan – Getting Started

Depending on the complexity of your estate, you may require the services of a lawyer, a financial advisor, an accountant, an insurance agent or a trust officer.

Developing a complete estate will require much more than a will. Depending on your personal situation, you will need to consider a combination of the following components:

## **WILL:**

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the core document in your estate plan that identifies an executor, distributes your assets and names a guardian for your children if they are still minors.

## **TRUST:**

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is established to take care of assets you don't want transferred immediately after your death or to manage investments for beneficiaries who are incapable of doing so themselves.

## **LIFE INSURANCE:**

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can help ensure your heirs aren't negatively impacted by their inheritance, or to pay your funeral expenses or final taxes.

## **POWER OF ATTORNEY FOR PROPERTY:**

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allows a trusted family member or friend to make financial decisions for you should you become incapacitated, but only while you're alive.

## **POWER OF ATTORNEY FOR PERSONAL CARE:**

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allows someone close to you to make medical decisions based on your own previously expressed wishes.

## **LIVING WILL:**

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sets out your preferences for medical care if you're unable to express them yourself. This concerns continuing life support and similar important decisions.

## **ORGAN DONOR CARDS:**

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is an official statement of whether you would like your organs to be donated to someone who would benefit from a transplant. You will also need to discuss this with your family as doctors may need their consent as well.

## **FUNERAL ARRANGEMENTS:**

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helps decide how you would like to be remembered.

## **BUSINESS SUCCESSION PLAN:**

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decides what will happen with a business you own in part or whole. There are complex rules regarding selling a business or passing it to heirs.

## **TAX PLANNING:**

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In Canada there are no "estate taxes" – taxes owed on the entire value of an estate. However, your estate may be subject to probate or income taxes. These are paid out of your estate, reducing the amount paid to your heirs. Probate and taxes are foremost considerations when planning your estate.

The information provided is general in nature and is intended to highlight various tax planning issues. This information should not be relied upon, not construed as legal or tax advice. Readers should consult with their advisors, lawyer, and tax professionals for advice before employing any of these strategies.

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