

IS IT WORTH PREPARING AN ESTATE PLAN?

When I conduct my “Creating an Estate Plan that Works” seminar, I ask participants this question: “Does it bother you to know that a portion of your estate may go to the Government rather than your beneficiaries?” I very rarely get the response that this known fact does not bother people. In fact, quite the opposite is true.

Governments are becoming more invasive in our personal lives, and legislation concerning transfers of property, taxation, and family law is increasingly complex. If you do not plan your estate, the government has legislation to protect your interests. But the rules the government follows may not reflect your family relationships and how you want your assets distributed. Most of us do not want some bureaucrat making decisions on our behalf.

Even Canadians who do not consider themselves wealthy by traditional standards have accumulated significant wealth during their lifetime. People who are now 60 or more were taught to be savers. They also invested in property – property whose values rose rapidly through periods of high inflation. (You may remember when houses cost \$10,000!) The values of personal real estate and other assets have increased the net worth of more than one generation of Canadians. Surveys reveal that more disposable wealth is about to change hands in the next two decades than ever before.

Here’s how estate planning can keep more money for your beneficiaries:

- Makes sure you don’t pay any more taxes than necessary.
- Leaves enough cash to pay your bills.
- Minimizes probate fees.
- Plans charitable gifts.

- Prevents your children from spending their inheritance prematurely.
- Minimizes executors fees.
- Designs income splitting techniques.
- Protects your assets from creditors.
- Planning charitable donations.

Some people say, “Why bother? Let the kids look after themselves.” I think, in some cases, this is an attempt to avoid looking into the future, or facing mortality. There are many questions to be asked and decisions to be answered when you develop an estate plan; some are for the benefit of your beneficiaries, but some are also for you. Through estate planning, you can speak for yourself and for your family when you are no longer physically able. And with proper advice you can keep from making business, legal, investment, or tax blunders.

You don’t do estate planning for yourself – you do it for others. My words of wisdom: “Educate yourself! Get advice! And use common sense.”

If you are interested in seeking counsel with Rhona Konnelly, CLU, EPC, CSA for an “estate planning review”, please feel free to get in touch with her, at 778-895-6495.

Next Issue: “Estate Planning Series Continues”

The information provided above is just one of the many ways you can provide a significant gift to your favourite charity. Please talk with a professional advisor to see what options are best for you.