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Estate Planning and Will Preparation - Fifteen Good Basic Rules (12/11)

- Start the transfer of wealth now while you can still get some glory – a trust for your grandkid’s education or a significant gift to your favourite charity while you are alive may be worth considering.
- Talk to your family about your will – start one on one and then move on to a full family meeting.
- Do your will while you are able and no one can challenge your competence as they may do if you start to get a bit odd.
- Do what you can to save taxes but make sure taxes are always in second place behind personal wishes.
- Look carefully at the influence that others have on you when making your decisions that could later be perceived as *undue influence* on you by still others who feel they were edged out in some way.
- Make sure your executors have the skills to act in that capacity – perhaps with some checks and balances to resolve the tough issues when you aren’t there to be the referee.
- Your will should honour all of your legal obligations including statutory ones such as your obligations to adult dependants you are still supporting.
- Trusts have major advantages both for tax planning and estate administration – use them.
- Have lots of liquidity to meet your personal needs before you die so when you can no longer think straight you don’t have to live below the poverty line. You may live longer than you think.
- Make the provisions of your will as detailed as possible to keep down the arguing amongst your beneficiaries as to what you actually intended.
- If you are able compartmentalize bequests of specific assets to specific beneficiaries, life will be a lot easier for your executors.
- Make sure beneficiary designations outside your will (RRSP’s, etc.) are consistent with the distribution of assets in your will.
- Know how income taxes will be applied to your various estate assets so a misplaced tax liability does not destroy a bequest for a beneficiary.
- Make sure any bequest for a special need has sufficient capital to meet that need.
- Don’t tie up your assets for an eternity.