
Fulfilling Your Wishes

Posted on: March 13, 2017

With many Baby Boomers now moving into their sunset years, the growing concern is how they will efficiently and effectively plan for the transfer of their wealth to the next generation?

A recent survey by RBC Wealth Management estimated that the amount of money changing hands over the next twenty years is about \$400 billion. Yet, only 22 per cent of wealthy Canadians have a detailed Estate Plan on how they plan to pass on their assets according to this survey.*

The purpose of an Estate Plan is to [fulfill your wishes and reflect your values and goals](#) [1] for how the money will assist or impact each of the heirs. The second goal of a proper Estate Plan is to make sure that the asset transfer occurs with the least amount of administrative costs (legal, probate and so on) and the least amount of taxes payable. If the choice is between fulfilling your wishes or paying the least amount of tax, assuming these objectives are in conflict, then fulfilling your wishes may be a higher priority than paying a bit more in taxes.

The most important part of an Estate Plan is making sure all of the necessary legal documents, reflecting your wishes, are properly drafted to reflect your hopes and dreams for each of the heirs. The [key document](#) [2] is your Will, followed by a Power of Attorney and a Living Will (or Medical Directive).

An area that often falls through the cracks is making sure that all of the life insurance and other policies including RRSPs, RIFs, TFSAs, investment accounts and so on, have Beneficiary designations that match or are aligned

with the wishes expressed in the Will.

Oftentimes, clients make changes to their Wills but forget to notify their financial planner, insurance Agent or investment advisor of these changes, which can cause headaches for the [Executor](#) [3] when the time comes to administer the Estate and distribute the assets.

Failure to make sure that these beneficiary designations are consistent with the wishes expressed in the Will can lead to unnecessary legal expenses and costs to the Estate. For example, one client wanted to register an investment condominium in his wife's name until it was pointed out that unless the property was registered on Title in both their names as Tenant's-In-Common, then the property would be subject to Probate (called various names depending upon your Province of residence) in order to transfer it to the surviving spouse, incurring unnecessary legal and administrative costs.

One final point is to make sure that how your assets, such as cottages, US winter homes, corporations, holding companies, trusts and so on, are held is aligned with your Estate Plan both for administrative and tax purposes.

You have worked hard to become successful! Now spend a little bit of time to think through how you wish to share the wealth. Call us today to discuss how we can help you create your Estate Plan.

*RBC Wealth Management Survey released January 2017.

Need help with your Estate Plan?

[Contact our office!](#) [4]

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