Alzheimer Society

PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

Preparing Your Estate Plan

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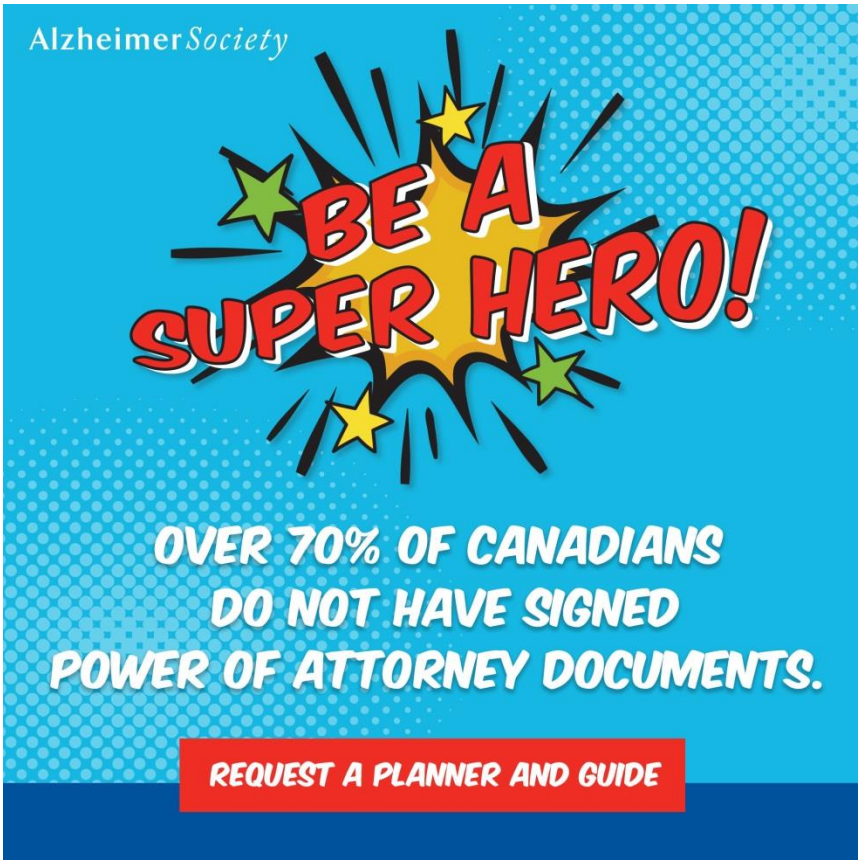

BLOG THREE – Preparing Your Estate Plan

What are the basic steps to preparing an estate plan?

1. Listing all your assets and liabilities
2. Determining your estate planning goals
3. Preparing your Will

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Anyone who has ever been the Executor/Trustee of someone else's estate knows how time-consuming it can be to locate important documents, certificates, lists of advisors and other items. It is in the best interests of your family that your Executor/Trustee be able to act quickly to protect and safeguard your assets. To assist your Executor/Trustee with this task, a comprehensive estate plan should include a complete record of your financial affairs.

How Do I Begin?

Listing all of your assets and liabilities

Your ASSETS include:

- Real estate - land, house(s), cottage(s) and condominium(s).
- Personal effects - furnishings, clothing, antiques, jewellery, cars, fine art, etc.
- Investments - cash, bank accounts, securities, mutual funds, Canada Savings Bonds, GICs, partnerships
- Other Property - life insurance policies, joint annuities, RRSPs, RRIFs and pensions

Your LIABILITIES include:

– Mortgages, loans, credit cards, investment-related debts and other personal obligations.

To determine the value of your estate, subtract your liabilities (what you owe) from your assets (what you own). Remember that not all of your property passes by way of your Will.

By having all this information available, your Executor/Trustee will be better able to fulfill his or her duties and manage your affairs after your death.

Joint Property

There are two ways of owning property with one or more persons. One is as "joint tenants;" the other is as "tenants-in-common." The distinction between the two becomes very important at death. In the case of joint tenants, the deceased's interest automatically goes to the survivor without forming part of their estate.

In the case of tenants-in-common, the deceased's interest in the property forms part of their estate and is passed on to his or her beneficiaries. This applies not only to real estate but also to bank accounts, GICs, investment portfolios, etc. Registering property as "joint tenants" is a useful way of avoiding the estate process, as property will automatically pass to the survivor. This helps reduce estate administration costs.

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Life insurance, jointly held property, and survivor benefits of pension and other retirement plans will pass by 'contract' or 'operation of law' upon your death. Review jointly held property and update the beneficiaries named in your insurance policies and retirement plans.

It is important to list how your various assets are registered (i.e., sole ownership, joint tenants or tenants-in-common) and also list the beneficiaries of your life insurance policies and retirement plans, etc.

For free copies of our Super Hero estate-planning tools, please email Lorraine McCallum at lorraine@alzheimerjourney.ca

NEXT MONTH: Determining Your Estate Planning Goals

This BLOG is intended to provide an overview of Will and estate planning. It is important to stress that this is NOT a "Do-it-Yourself" guide. As the laws pertaining to estate planning and administration are ever changing, we strongly urge you to seek professional advice. This will ensure that your personal situation is considered in the context of your province's estate and trust laws.

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