

TEN REASONS TO HAVE A WILL

Having an estate plan is essential to ensure your loved ones are secure. A will serves as your road map to the distribution of your estate after your death and is a key part of an estate plan. Reasons for creating a will are personal, and may include:

1. Choosing who will inherit and how much they will receive

Should you die without a will, your estate will be divided according to a provincial government scheme, which is not likely what you would have wanted. For instance, some schemes do not recognize a common-law spouse, while none of the provinces consider stepchildren.

2. Supporting beneficiaries with unique needs

If you have children who are minors, a will is essential to state who you wish to act as guardian for them. A will also allows you to place conditions on the use of an inheritance and when a beneficiary may receive the funds. For those with beneficiaries who have special needs, a will provides the opportunity to ensure an inheritance preserves provincial benefits, minimizes taxes and provides professional money management.

3. Deciding who will wind up your affairs

A will is your opportunity to name the person or persons who will administer your estate, assisting your loved ones through a difficult time. Should you not enter a will, a court application will be necessary, increasing the cost and frustration for your family.

4. Avoiding a lengthy probate process

Probate is a court application which is both time consuming and costly. A well drafted will can reduce the time and costs associated with probate.

5. Minimizing taxes

A will provides opportunities to reduce taxes paid by your estate; this can increase the amount paid to your loved ones after death.

6. Dealing with digital and sentimental assets

As important as your monetary estate is, your assets with sentimental value, including digitally held assets, need to be considered too. Will planning ensures these assets are transferred to your loved ones in a fair manner, avoiding fighting and dissention.

7. Giving back to your community and passing down your values

Through charitable gifts, your will allows you to pass on your values on in a tax-efficient manner.

8. Accounting for changing circumstances

You may feel as though you have inadequate assets to justify the cost of a will. However, your wealth will grow, and a will today provides protection in the future.

9. Planning for future changes in your family

A will provides protection should a beneficiary divorce or predecease you.

10. You love your family

If you die without a will, those left behind endure an increased administrative burden, with little or no guidance as to your wishes, during their period of bereavement.

TEN REASONS TO HAVE PERSONAL AND FINANCIAL CARE POWERS OF ATTORNEY

An important element of your estate plan is both a personal and financial care power of attorney (POA). A POA provides for your personal care and the care of your assets while you are alive but unable to do so. Reasons to consider a POA include:

1. Having someone you trust who is qualified and authorized to make decisions for you

A POA provides you with the opportunity to ensure the right people or professionals are named to manage your finances and assist in your personal care.

2. Knowing your future wishes

Some of the most important future decisions you face may be made by your attorney, including where you will live and your medical care; a POA is able to guide your loved ones.

3. Gifting (or not gifting) funds to your family

Your attorney's ability to gift or loan funds to your loved ones is limited unless you provide them that ability. A POA allows you to continue to assist your family when you are no longer able to do so.

4. Honouring your values

A POA can be drafted to ensure your personal, ethical and/or religious values are known and are honoured by your family and the professionals who assist you.

5. Convenience

You can create a POA for a specific matter or a single issue. This is a convenient way to minimize when you are unable to physically be present.

6. Minimizing tax

Without specific directions, your attorney is limited in steps to take to minimize your tax liabilities, including making charitable donations.

7. Executing contracts on your behalf

Your attorney not only provides financial oversight, but has the ability to sign contracts on your behalf, including long-term care agreements and the sale of your house. Without a POA, your family will be hindered in providing that assistance.

8. Instructing your financial advisor

A financial advisor is constrained in administering the support and assistance on which you rely if you are unable to provide instructions. A POA is essential to ensure your financial management continues.

9. Saving funds and fighting

Should you lose the ability to make financial care or personal care decisions, a court application may be required to allow someone to do so on your behalf. However, that application can be expensive, cause significant delays and friction in your family.

10. Protecting your children

If you want to contribute to your children's post-secondary education, you can specify that your attorney is authorized to do so. Without that direction, they will have limited flexibility.

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