



Wills, Powers of Attorney & Insurance



Financial
Planning



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- Retirement Planning
- Tax Planning
- Estate Planning
- Investment Planning
- Risk Management
- Cash Flow & Budgeting
- Borrowing and Debt Management
- Succession Planning for Business



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Wills



Importance of Will:

- Name your Executor and alternates to Executor
- Name your beneficiaries
- Specify what and how your beneficiaries will receive your Estate
- Protection for your minor beneficiaries
- Remove the lengthy process of having the Courts decide these things for you!



Dying without a Will (Intestacy Laws):

- If you die without a Valid Will, the Courts will decide who the Executor (Administrator) will be
- The Administrator will pay off Debts, testamentary expenses and then divide up the estate based on Provincial Laws
- Your surviving spouse does NOT automatically receive everything!
- Based on Province, the spouse receives a preferential share and then the balance is divided up amongst spouse and surviving children
- If you die without a Valid Will and do not have any surviving relatives, your estate goes back to the Government! (Escheated)
- If there are minor beneficiaries, the Courts will decide who their guardian will be and the assets will be held In-Trust for them until they reach the age of majority



Holograph Will and Online Will Kits:

- Holograph Wills are valid (but not in all Provinces)
 - Handwritten Will in your own handwriting and signed by you with no witnesses
- Online Will Kits:
 - Do not always cover all of the sections that should be discussed and talked through
- Bottom Line: *any Will is better than nothing, but protect yourself and your family and your Legacy – this is not the place to try to save money!*



Probate:

- Legal Process to confirm the rightful Executor and if your Will is Valid
- Once the Will is probated – it becomes a Public Document available to anyone to see
- In the Province of Ontario, probate tax is:
 - 0.5% on first \$50K
 - 1.5% on balance above this



What Falls within the Estate (Probate) and what flows outside of the Estate:

- Assets that have named Beneficiaries – RSPs, RIFs, TFSAs, Segregated Funds, Life Insurance, Joint Assets do NOT fall within your Estate, they go directly to the beneficiaries – no Probate Tax
- Assets that require Probate – non-registered accounts, investments, real estate (if not joint) – Probate Tax applies



Choosing an Executor:

Executor Duties include:

- Burial & Funeral arrangements
- Provide inventory of estate assets
- Apply for Probate
- Pay debts and expenses
- Communicate with beneficiaries
- Distribute assets to beneficiaries
- Make final Tax Filings
- Apply for Clearance Certificate
- Are held personally liable if the taxes are not paid

Choose an Executor who has capacity, time, nearby and someone you trust to carry out your wishes

***Also consider Corporate Trustees



Testamentary Trusts:

- A trust created after you pass, by way of the Will
- Your beneficiaries will receive funds throughout a specified time period
 - (eg. Minor beneficiaries can only receive funds after age of majority,
 - or maybe there is an adult child that is not good with money,
 - or disabled beneficiary (Henson Trust)
 - Second marriage (spousal trust)
 - Cottage Trust (Life Interest)

Several different types of Trusts!



Powers of Attorney:

2 Types:

- Power of Attorney for Property
 - anything financially related – accounts, investments, real estate
- Power of Attorney for Care
 - anything health related – incapacity, illness, medical

Can be the same person for both, or can be different people, can be multiple individuals, can be legal POA (only property), can be corporate trustee (only property), can be public guardian (for care)

Should be someone trusted, has capacity, has time, usually someone younger and nearby



Insurance

Several types:

- Life Insurance – Term & Permanent
- Disability Insurance
- Critical Illness
- Creditor Insurance
- Segregated Funds
- Insurance for Business Owners (Buy/Sell Agreements, Key Man)



Life Insurance:

Term Insurance – usually Term 10, 20, 30, 50 – various options

- Insurance is good through the Term you choose
- Premiums stay the same throughout the term
- Have the option to renew (at new premium)
- Cheaper option and provides good coverage

Permanent Insurance – policy is set for Life

Premiums stay the same throughout

Usually higher premiums

Do a Risk Analysis to decide how much you need



Disability Insurance:

Replaces a percentage of your regular employment income if you become disabled/injured/ill

*** Workman's Compensation only covers you if you become disabled while on the job

*** Employment Insurance only covers 15 weeks

Consider if you have Employer Benefits plans – usually cheaper premiums

Critical Illness:

Lump-sum is paid if you become seriously ill – eg. Cancer, Heart Attack, Stroke

Flexibility because you have big lump-sum up front to do renovations to home, wheelchair access, elevator, additional private care



Creditor Insurance:

Mortgage/Loan/Balance Protector:

- Will pay-off the balance of your debt if you die or become disabled
- Premiums can be high and only cover a declining balance (the premium doesn't decline with the balances)
- Usually easier to get (usually no medical is required)



Segregate Funds:

- Offered through insurance companies, full service brokerage companies
- Provide guarantee protection on the principal amount you put in
- Several different types of segregated funds based on your risk tolerance
- Usually MERs are higher than standard funds because of the built-in policy



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Conclusion:

Wills, Powers of Attorney and Insurance are all important areas of Risk Management

Protect your loved ones and your Estate through proper planning and professional advisors

The image features a soft-focus background of purple flowers, likely heather, with a white semi-transparent rectangular overlay in the center. The text "Thank You!" is written in a bold, blue, sans-serif font within this overlay.

Thank You!

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