

Information Sheet **Estate Planning**

ESTATE PLANNING AND ADMINISTRATION SERVICES

Estate planning will:

- Ensure an orderly distribution of your property
- Preserve/increase the value of your property
- Maximize the after tax value of your property
- Ensure a smooth administration of your estate
- Provide a means of funding taxes upon death
- Minimize the potential for family disputes

OUR ESTATE PLANNING SERVICES

Our estate planning services focus on tax planning and implementation strategies that will maximize the after tax value of the estate property, taking into account your goals and objectives for capital needs during lifetime and distribution of capital at death.

These services usually include the following:

- Preparation of a schedule of assets and liabilities with fair market values and tax values
- Will planning opportunities to consider in dealing with the distribution of these assets
- Calculation of the estimated taxes upon death
- Summary of tax strategies to be considered to reduce or defer taxes on death such as:
 - Use of trusts during and after death
 - Tax elections to defer tax
 - Rollover provision to surviving spouse
 - Gift planning
 - Life insurance funding
 - Utilization of the capital gains exemption for qualified small business shares and family farm property
 - Estate freeze opportunities

OUR ESTATE ADMINISTRATION SERVICES

Our estate administration services focus on tax and provincial compliance issues relating to the estate property.

These services usually include the following:

- Preparation of the final T1 personal tax return
- Preparation of the T3 trust tax return
- Preparation of a cash flow analysis for and orderly distribution of the estate assets
- Advisor to the family on tax and financial matters relating to the estate property

SUGGESTED STEPS IN ESTATE PLANNING

1. Calculate the net asset value of the estate
 - require a list of the client's assets with the following information
 - description
 - date purchased
 - adjusted cost base
 - fair market value
 - list of liabilities
2. Calculate the accrued gain on the net assets and inherent tax obligation at death
3. Summary of goals and objectives for distribution of net asset:
 - Consider 3 pools of capital
 - Safe capital (current needs)
 - Legacy capital (for inheritance)
 - Social capital (planned giving)
4. Calculate the value of family owned corporation shares
5. Prepare a list of strategies to maximize the after tax value of the estate
6. Recommend a strategy to follow
7. Prepare summary of transaction costs to implement the strategy (legal and accounting)
8. Implement the strategy
9. Monitor the strategy and adjust as required
 - prepare annual personal tax return of client
 - prepare annual trust returns
 - review values on annual basis
 - update plan as required
10. Update personal will and powers of attorney

Please call us at 905-898-4900 if you have any questions regarding the above