



DELIVERING TOTAL FINANCIAL SOLUTIONS

Estate planning is about life – in the present and in the future. And whether your estate is of large or modest value, your estate plan should be part of your total financial strategy.

Your ScotiaMcLeod advisor has the knowledge, resources and access to specialists to guide you through the estate planning process, including choosing the right executor, giving you peace of mind in the comfort of knowing you have prepared for the future.

Creating an effective, integrated estate plan

Elaine Blades, – *Senior Manager, Estate Planning*

Wills and Powers of Attorneys (Mandates in Quebec) have long been recognized as the cornerstones of an effective estate plan. A well crafted up-to-date Will is essential to ensure your estate is administered by the executor (Liquidator in Quebec) of your choice and your assets distributed according to your wishes. In the absence of a valid Will, your assets will be distributed according to the intestacy rules of your province by an administrator who may not be your choice for the role. Failing to prepare Powers of Attorney could mean court involvement and additional costs in the event you become incapable of managing your property and/or personal care. Crucial as these documents are, they are not however the only elements of an effective estate plan.

An effective estate plan should maximize wealth for you and your heirs; minimize the impact of liabilities, especially taxes; reduce the burden on your family; assure continuation of your interests and values; include a plan for the unexpected; and,

provide peace of mind for you and your family.

Your estate plan should not be viewed in isolation, but instead as an integral part of your overall financial plan. For example, you should feel comfortable that: your life insurance and RSP/RIF designations complement the terms of your Will; any jointly held property (where applicable) will devolve according to your wishes; your charitable intentions will be most effectively realized; and, your estate is efficiently structured in order to minimize liabilities and best serve your chosen beneficiaries.

WHERE TO BEGIN

For many of us, the best place to start an estate plan is at the end. Begin by listing your intended beneficiaries. For most of us, the list will consist of family and perhaps also friends and charities. Your list may include individuals you are under a legal obligation to benefit, such as a spouse, former spouse or child, or even a business partner.

... continued on next page

Working with your estate advisor you should now consider the most effective ways to transfer your wealth. This step should incorporate income tax and, where applicable, “probate” planning. You may also wish to consider how to maximize any charitable donations, the benefits of testamentary trusts and whether your estate would benefit from insurance as a means of protecting estate assets or growing your estate.

A FLEXIBLE SOLUTION

Trusts are often overlooked when Canadians plan their estates, despite the fact they can offer great flexibility to take care of your beneficiaries. Trusts are not just for the very rich and can be much less complicated than most people think. In fact, trusts are often the perfect solution for typical family issues.

Although it does require a certain level of assets to justify setting up a trust, it is possible to create smaller trusts, and the costs may be offset by the protective, personal and financial problems they resolve.

WHEN TO CONSIDER A TRUST

You may wish to consider establishing a trust in your Will if:

- You have a child who is physically or mentally impaired, needs support handling money, has a substance abuse problem, marital issue or other difficulty.
- You are in a relationship and you or your

spouse/partner have children from a previous relationship.

- You wish to support an individual or maintain an asset such as a cottage
- You wish to maximize your estate by income splitting with your spouse or financially independent children through a well planned Will.

APPOINTING AN EXECUTOR

Another crucial element of an effective estate plan is appointing the right executor. Your executor is responsible for administering your estate after your death. An executor can be an individual (or individuals) or a trust company, such as Scotiabank. The duties of an executor can be demanding and time consuming. With today’s increasingly complex estate and tax legislation, it is a more challenging and complicated task than ever.

In choosing an executor you should be sensitive to the time and distance challenges the executor may face and the potential for family or beneficiary issues. You should also be aware that your executor may be held personally liable for any errors made in the administration of your estate.

For more information on estate planning and some of the issues you will need to consider, ScotiaMcLeod offers the *Practical Perspectives on Estate Planning* handbook. Please contact your advisor for a complimentary copy.

Reflections

*“We are made wise not
by the recollection of our past,
but by the responsibility for
our future.”*

George Bernard Shaw



This publication has been prepared by ScotiaMcLeod, a division of Scotia Capital Inc. (SCI), a member of CIPF. This publication is intended as a general source of information and should not be considered as personal investment, tax or pension advice. We are not tax advisors and we recommend that individuals consult with their professional tax advisor before taking any action based upon the information found in this publication. This publication and all the information, opinions and conclusions contained in it are protected by copyright. This report may not be reproduced in whole or in part, or referred to in any manner whatsoever, nor may the information, opinions, and conclusions contained in it be referred to without in each case the prior express consent of SCI. Scotiabank Group refers to The Bank of Nova Scotia and its domestic subsidiaries.

TM Trademarks of The Bank of Nova Scotia.

Scotia Private Client Group consists of private client services from The Bank of Nova Scotia, The Bank of Nova Scotia Trust Company, Scotia Asset Management L.P., Scotia Asset Management U.S. Inc., ScotiaMcLeod Financial Services Inc., and ScotiaMcLeod, a division of Scotia Capital Inc. Scotia Capital Inc. is a member of CIPF. Scotia Private Client Group is a registered business name of The Bank of Nova Scotia, The Bank of Nova Scotia Trust Company, ScotiaMcLeod Financial Services Inc., Scotia Asset Management L.P., and Scotia Capital Inc. in the jurisdictions in which they carry on business. Scotia Asset Management is the registered business name of Scotia Asset Management L.P. Scotia Private Client Group, Scotiabank Group, Scotia, Scotiabank, Scotiabank, Scotia Securities, ScotiaMcLeod, and Scotia Asset Management are trademarks of The Bank of Nova Scotia, used under license.

All insurance products are sold through ScotiaMcLeod Financial Services Inc., the insurance subsidiary of Scotia Capital Inc., a member of the Scotiabank Group. When discussing life insurance products, ScotiaMcLeod advisors are acting as Life Underwriters (Financial Security Advisors in Quebec) representing ScotiaMcLeod Financial Services Inc.

® Registered trademark used under authorization and control of The Bank of Nova Scotia. ScotiaMcLeod is a division of Scotia Capital Inc., Member CIPF.