



FINANCIAL WISDOM

- WEALTH MANAGER -

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Choose Wisely

Almost everyone agrees that it's a good idea to have a will. However, it is estimated that about half of Canadians do not have one, and it is likely that many wills are out of date, perhaps even invalid.

Not having a will can make the sorting out of your estate unnecessarily expensive, complicated and time consuming. When having your will prepared, one of the most important decisions you will make is who you would like as executor.

An executor's responsibilities include finding out what your assets are, where your assets are and what your assets are worth; protecting your assets; paying outstanding debts; preparing your final tax returns; and, making distributions to your beneficiaries. It's important to choose the right person to take care of this often demanding task.

To help you make the right choice, answer the following questions:

Will they accept the responsibility? As this can be a time consuming venture, make sure who you choose is willing to be your executor. Ask them first.

Will they likely outlive you? Naming someone in poor health or much older than you may mean going through the will preparation process all over again.

Will they be emotionally able to handle your funeral arrangements? Someone who can be incapacitated by the grief of your passing may not be your best choice.

How close do they live to you? Estate values can be eaten up by executor expenses if they have to travel to settle your affairs.

Will they be comfortable dealing with professional advisors and making financial decisions? Your executor will have a wide range of duties. These include preparing a statement of your assets and liabilities, filing life insurance claims and preparing your final tax returns.

Will they be able to deal with negative family member reactions? If beneficiaries are not happy about your estate decisions, your executor may have to bear the brunt of their displeasure. Choose someone who can handle a situation like this.

A family member or close friend is often the first choice as executor. If you are having trouble choosing someone, if your estate is complicated, or if you have trusts that can run for many years, you may want to choose a lawyer or a trust company for the job. Executor fees are provincially regulated, but usually come to about 5% of the estate value plus expenses and ongoing management fees.

For informational purposes only and not intended as specific legal advice.

Planning your Estate? Contact our office and we can walk you through it.

Oswald MacKay

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