



FINANCIAL WISDOM

- WEALTH MANAGER -

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Estate Planning for the Terminally Ill

If you are between the ages of 35 and 65, it is quite likely that someone you know has recently been diagnosed with a terminal illness. Hopefully, there is time for them to review and organize their estate to ensure their loved ones are properly taken care of.

From a tax planning perspective, it is wise to ensure that heirs receive the maximum value of the estate. It is tragic when someone works hard all their life only to have much of their assets taxed heavily by the government because of an insufficient estate plan. The Canada Revenue Agency will happily accept whatever income and assets are not protected by a proper estate plan.

This may also serve as a wake-up call to:

Gather and Organize Legal Documents

- Review and update the Will, Enduring Power of Attorney and Personal Directive
- Gather all titles to assets
- Organize all identification documents
- Gather prior year tax returns

Review and Update Insurance policies:

- Life, Disability, Critical Illness and Long-Term Care
- Health & Dental
- Home, Liability and Auto

Organize Personal and Business Finances:

- Consolidate bank and brokerage accounts
- Retirement accounts
- Obtain credit reports
- Loan and credit card statements

Reviewing and updating the estate plan in conjunction with tax planning strategies can offer more favorable opportunities:

- Prepare a budget based on current circumstances. An adjustment in investment and retirement plan philosophy may be in order.
- Review all insurance policies with a specialist. Life insurance is a legitimate tax planning tool.
- Discover how to reduce probate fees and estate taxes.
- Spousal trusts can provide ongoing tax savings for a surviving partner.
- Find out about an estate planning strategy where the children, as beneficiaries, can reduce future taxes on income generated from investments held in trusts. These savings can be significant.

Work with a professional to explore the various options to make the transition flow smoothly. It can be very reassuring to know that your loved ones will be taken care of.

We can help ensure that your estate plan is effective for you. Let us help you out.



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