FINANCIAL WISDOM

- WEALTH MANAGER -

April 2025

Estate Planning for the Terminally Ill: A Practical Guide

If you're between 35 and 65, chances are you know someone who has been diagnosed with a terminal illness. It's a tough reality, but if there's still time, helping them get their estate in order can provide peace of mind for them and their loved ones.

Why Estate Planning Matters - No one wants to see a lifetime of hard work eroded by unnecessary taxes. Without a proper estate plan, a significant portion of one's assets could go straight to the government instead of their family. The Canada Revenue Agency won't hesitate to take what isn't properly protected. That's why a solid estate plan is essential–it ensures that the maximum value of an estate goes to the people who matter most.

Steps to Take Right Now - If you or someone you love is facing a serious illness, here are some key steps to take:

1. Get All Legal Documents in Order
- Review and update the Will, Power of Attorney, and Personal Directive
- Collect titles for all assets, including property and vehicles
-Organize identification documents (passports, birth certificates, etc.)
-Gather prior years' tax returns

2. Review and Update Insurance* Policies
-Ensure life, disability, and critical illness policies are up to date
-Review health and dental insurance coverage
-Check home, auto, and liability insurance policies for accuracy

3. Organize Finances
-Consolidate bank and brokerage accounts
-Review retirement accounts and update beneficiary information
-Obtain credit reports and organize loan and credit card statements

Maximizing Your Estate's Value - Proper estate planning isn't just about paperwork–it's also about making smart financial decisions that reduce taxes and increase the amount left for heirs. Here's how:
-**Adjust financial plans** to align with new circumstances. A revised investment strategy may be necessary.
-**Review insurance* policies** with a specialist. Life insurance* can be an effective tax-saving tool.
-**Minimize probate fees and estate taxes** through strategic planning.
-**Consider spousal trusts** to provide ongoing tax savings for a surviving partner.
-**Explore tax-efficient ways to pass wealth to children**. Using trusts can significantly reduce taxes on investment-generated income.

Work with a Professional - Navigating estate planning can be overwhelming, especially during an already difficult time. Consulting a professional–whether an investment advisor, accountant, or estate lawyer–can make the process smoother and ensure everything is done correctly. While estate planning is never an easy topic, taking the time to organize finances and legal documents now can bring immense relief. Knowing that your loved ones will be taken care of is a reassuring step toward peace of mind.

Got Estate Planning questions? We can help you out!

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The rate of return is used only to illustrate the effects of compound growth and is not intended to reflect future value of an investment fund or returns on an investment fund.