

## Estate planning isn't just for the wealthy

For many, estate planning sounds lofty and complicated, but it really isn't. Everyone should give careful consideration to the financial, legal and tax issues that will affect the transfer of your assets to your beneficiaries. At any age, an estate plan can help you:

- Set a value on your estate through an analysis of your assets and project estate values over time
- Assess and address current and future liabilities, such as mortgages or bank loans, probate fees (estate settlement legal proceedings), taxes, legal fees, executor's compensation, and any personal guarantees that will be payable by your estate
- Determine how best to meet the needs of your beneficiaries

Your estate plan can protect your estate and your intended beneficiaries from costly legal red tape, competing interests, and unnecessary taxation. This is reason enough to give it some serious consideration.

### Trusts explained

Trusts can be used to manage your estate assets, provide tax reduction and deferral opportunities, fund allowances and endowments for family members, serve as tax-advantaged strategies for charitable gift-giving, provide ownership privacy, and much more.


Here's how a trust works: you appoint a secure and reliable third party (an individual or a trust company), as your trustee to look after certain assets for the benefit of your beneficiaries. To make the trust legal, you must transfer title or ownership of those assets to the trustee. The trustee in turn invests the assets, manages the growth, and sees that the assets are distributed to beneficiaries according to your instructions.

A trust may operate while you are alive, after your death, or both, and may be used to ensure that your assets are always managed according to your wishes.

### Risky to delay estate matters

As average lifespans increase, so does the probability of acquiring a critical illness, requiring long-term care or becoming mentally incapacitated during our lifetime. A forward-looking estate plan would provide for these health conditions using insurance.





Incapacity or ill-health raises another estate planning issue: what if you aren't capable of making crucial decisions concerning your health, finances or the care of your children? To prepare for such a possibility, you need to name a power of attorney (Mandate in Quebec), both for personal care and for property and asset management. The individual(s) or trust company you name as your attorney will have the power to make these important decisions for you.

If you have minor children, you should take great care to nominate a Guardian for them – someone with similar values, who is physically, emotionally and financially capable of taking responsibility if necessary. Your estate plan should protect you and your assets from the risks of financial and legal mismanagement, and excess taxation.

A ScotiaMcLeod advisor has the knowledge, resources and team of experts to help you develop a plan that offers these protections, and greater peace of mind for you, your family and beneficiaries.

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