

May 5, 2020

Good day,

I am sitting at my desk with the sun shining in - what a great way to start a day!

Financial Planning covers many areas of your life and is a very worthwhile process to go through and maintain. I have been thinking more specifically about one part of Financial Planning lately, Estate Planning, so this week's communication will highlight one aspect at a high level and next week will address other aspects of Estate Planning. I am available to explore the issues identified further with you on an individual basis.

Wills and Power of Attorney – this topic is not an area I deal with directly as a Financial Planner but is a very important aspect of planning in everyone's life. As such I have some of my own insight and have included some more specific comments from a colleague of mine who is a lawyer.

A Will is a document that is best prepared with legal advice and states your wishes for when you are dead. To die without a will is called 'intestate' and can leave a lot of issues and complexity for those left behind. It is worth taking the opportunity to create a will so you can give thought to things like who will manage your final affairs, who is to receive your worldly goods and who will take care of the money/assets for your children if they are under 18. (It is also important to have beneficiaries named on any assets like RRSP's and TFSA's so they will pass outside your will).

Two Powers of Attorney (POA) documents you should have are, one for health decisions and the other for financial and general decisions. These documents are for while you are alive so will impact you directly. The 'Attorney' in this situation is actually the person you designate as the one to make decisions on your behalf. That person will be able to take over your affairs as though they were you so it is important who you choose. There are some restrictions regarding what they cannot do such as change the beneficiary on your accounts or in your will and when it can be enacted.

This next section is courtesy of Darryl Glover of Glover Law:

In these days of uncertainty, people are thinking more about the future and what it may hold. They also often have more time these days to get items checked off their to-do list. Together, this often means finally getting to that Will and Power of Attorney that they've been putting off. People often ask me who really needs a Will or Power of Attorney. Short answer? We all do but for different reasons. But a few types of people stand out more:

1. The new parents need a Will whether they have assets or not so they can rest comfortably knowing that they get to decide who would raise their children if something happened to them.
2. The common law couple needs a Will immediately. Just because they have qualified as common law and file taxes that way does not mean the partner receives a benefit under estate law as the *Succession Law Reform Act* treats married and unmarried people much differently.
3. People who want their assets to go to people other than who the law says they should go to, also need to get that clear in a Will.

And finally, a Will is a gift that we leave to our loved ones when we die. Dealing with someone's estate is never easy but without a Will, it can be a nightmare. Wills not only ensure things are dealt with the way we want but they can also save the relationships of those we leave behind.

With respect to a Power of Attorney, most people don't need one until later in age, but for those who do need it earlier, again, their family will be grateful that it was done. We never know when the day after we no longer have capacity to sign these documents will come.

Having a Will and Power of Attorney in place can bring peace of mind to the testator as well as their loved ones and it can always be changed later as one's situation changes. As a result of Covid-19, new law came into existence allowing a Will or Power of Attorney to be signed and witnessed by videoconference. So we can safely assist people with their documents by using technology. See our website at www.gloverlaw.ca for some helpful estate planning hints as well as our simple, easy-to-follow questionnaire to get started.

*Regards,
Darryl*

I encourage everyone to get these documents in place immediately, if not already in place, and review them periodically to ensure they reflect your wishes as life changes. As I mentioned at the opening, this was only a high level review of one area of Estate planning that we can address as part of your Financial Plan. Feel free to reach out to me to explore these and other financial planning topics further and know that I am here for you.

Debbie

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P.S. These letters are addressed to my current clients. If you think a friend or family member may be interested in being on our email list, please have them reach out to Brenda at brenda@mcwealthmanagement.ca so they can give us permission to add them to the contact list.