

YOUR ESTATE RECORD

and

PLANNING GUIDE

Compliments of:

Bocking Financial Solutions Inc.

Phone: 905-728-7465

Fax: 905-728-7251

E-mail: info@bockingfinancialsolutions.com

www.bockingfinancialsolutions.com

ARE YOUR FINANCIAL AFFAIRS IN ORDER?

THINK ABOUT IT

None of us wants to think about dying. We would rather not talk about it. Yet it is very important that you prepare for that event so you don't leave those whom you love with numerous problems. You should make sure your affairs are in order, your documents organized, your Will up to date and, for business owners, arrangements made for continuation of the business. The following pages will suggest some of the things you can do to prevent unnecessary complications for your family.

ORGANIZING PERSONAL PAPERS

Keep a Personal Record

Maintaining a complete, up-to-date information file on the contents and whereabouts of your personal papers can be very useful and will be invaluable to others when you die. You should complete a personal record which provides details about your personal advisors, personal property, investment certificates, other securities, Will, life insurance, and other insurance policies, bank and trust accounts, income tax returns, personal debts and funeral arrangements. You should keep one copy at home, leave one with your lawyers and put one in your safety deposit box.

Keep Documents in a Safe Place

Are your personal papers in the right place? Some valuable documents can be kept in a safety deposit box. However, safety deposit boxes may be sealed at death, and some of the contents cannot be removed until the Will is probated. It is better to keep life insurance policies at home so that they may be processed quickly to meet immediate needs for cash.

The signed original of a Will is, in many cases, retained by a lawyer who prepared it or is deposited with a trust company named as an executor. Photocopies or other unsigned copies may be kept both at home or in your safety deposit box.

Business partnership papers, deeds, mortgages, bonds, stock and investment certificates, birth and marriage certificates, citizenship papers, diplomas or degrees and lists of fire-insured or theft insured property are best put in a safety deposit box.

All documents kept at home should be kept together in a known place and wrapped in heavy plastic to protect against water damage. A fireproof metal box is advisable, to ensure that the contents are not ruined in a house fire.

Make Sure Your Family Knows

It is essential that someone in your family knows where all your personal papers are kept. At least two family members should be able to find the complete inventory of your life insurance policies, registered retirement savings plans (RRSP's), pension funds, stocks and bonds, deeds, loans and mortgages and other assets, as well as your Will, your birth and marriage certificates, bank accounts and social insurance card. They should also be authorized to access your safety deposit box.

Stay Organized

At regular intervals, go through all of your papers and documents and discard those that are worthless. Be sure to double check, though - there may still be value in some of them, for you or your heirs - or you may want to retain some of them as keepsakes. If you're not sure, your lawyer or financial advisor can help. Regularly review your Personal Record and make sure that it is kept up to date.

Take a Personal Inventory

You should have a complete inventory of household and personal possessions - a list of everything in every room of your house or apartment. Some people have found it useful to take photographs or a video tape of each room for the purpose of recording the contents. As well, a professional evaluation should be made on all objects of considerable worth: jewellery, art, antiques and other valuables. This inventory will be a valuable measure of how much fire and theft insurance you should have, and it will provide an accurate record in case of fire or theft. It is also helpful in determining your estate value. Review and update this personal inventory regularly.

Your Will and Estate Plan

Do You Need a Will?

A Will is a must, no matter how many possessions you might have. The advantages of a Will are numerous - and the problems without one so time consuming and costly - that you should not postpone having one drawn up. It is really a matter of making sure you control what happens to your estate. Every province in Canada has laws that will take effect in the absence of a valid Will (these intestacy laws, as they are called, vary from one province to another). By having a Will drawn up now, you can make the decisions about how your estate will be distributed.

Some Suggestions About Wills

- You should not write your own Will - use a lawyer. “Home made” changes to an existing Will are frequently ineffective and may invalidate the Will.
- The completed Will must be signed and witnessed in accordance with provincial laws.
- Adequate income provisions for your spouse and family should be a priority.
- Review your Will with your lawyer regularly (at least every five years). Also review it whenever the types of property you own or their value change significantly, there are changes in family circumstances, or a named guardian can no longer serve.
- Both spouses should have Wills and each should know the provisions of the other’s.
- Have your life insurance agent work with you and your lawyer to coordinate your Will with your life insurance plan to make your estate plan more effective.

Executors

As part of making a Will, you have to appoint someone with the legal authority to carry out it’s provisions. That person is your executor, and should be chosen with great care. An executor should be able to carry out the provisions of the will and also be familiar enough to know what you would want done in situations calling for the exercise of discretion.

A spouse is often appointed as an executor and trustee. If your spouse is not the sole beneficiary however, you may wish to appoint an additional executor along with your spouse. You should, regardless, appoint someone as an alternate to administer the estate in case your spouse is unable to act in that capacity for any reason. If the executor you have named becomes unable to serve, you should substitute a new executor or name an alternate. It is important to notify your executors of their appointment and obtain their acceptance.

Probate

Probate is the legal procedure for establishing the validity of a Will and authorizing the executor to deal with the assets of the estate in accordance with the priorities prescribed by law and the terms of the Will. Applications for probate are normally prepared by a lawyer. In certain cases, it may be unnecessary to probate a Will, but this does not mean a Will is unnecessary. Probate may not be needed where the estate is small, assets of relatively small amounts are held by banks or trust companies, there is a named beneficiary for a life insurance policy, or jointly held property passes entirely to the survivor. There are no set rules for disregarding probate and it may be required in estates of any size depending on the type of asset.

Business Agreements

Without appropriate arrangements the business of a sole proprietor ceases on death. To arrange for the continuation of the business the sole proprietor must make provisions in the Will or execute a business agreement to arrange for the sale of the business to someone else after his or her death. For partnerships death terminates the partnership agreement unless arrangements are made for the continuation of the business in an agreement reached before death. For a private corporation a business agreement should be prepared specifically how the deceased's shares are to be administered, sold, or transferred to the surviving shareholders.

WILL

The original copy of my Will is located _____

The date of this Will is _____

The lawyer who drew up this Will is:

Name: _____

Address: _____

Telephone #: _____

Executor and/or trustee of my Will is:

Name: _____

Address: _____

Telephone #: _____

Power of Attorney

A power of attorney is a formal document which gives to a person the power to act as your substitute in carrying out your business or legal affairs. A power of attorney can be as narrow as a one-time authorization to sign a particular document when you're out of town or as broad as an unlimited power to deal freely with all your assets. Powers of attorney are often deposited with real estate registry offices or financial institutions, to enable the holder of the power to act on your behalf with the organization in question.

A power of attorney terminates automatically when the person who gave it dies. Depending on the terms of the power and local provincial law, it may also end when the grantor of the power loses the ability to take it back by reason of mental incapacity, unless this situation has been provided for under a so-called "enduring" power of attorney. As in the case of a Will, it is safest to have a lawyer draft a power of attorney, since the provinces change technical requirements from time to time.

It is important to understand that naming an executor in your Will does not give that person any power to manage your estate before your death if you become incapacitated. Neither does a spouse have an automatic power to manage your affairs when you cannot. But a properly drafted power of attorney may allow you to designate a person of your choice to take over your affairs when the need arises.

A good time to prepare an enduring power of attorney would be when you and your lawyer discuss your Will, since some of the same conditions will apply to both documents. An executor, as personal representative of the deceased, takes back all the powers given by power of attorney when they expire at death. The executor should be aware of these, to prevent confusion in the administration of the estate.

POWER OF ATTORNEY

I have given a power of attorney to:

Name _____
Address _____
Purpose _____
Date _____ Expired? _____
Deposited? _____

Name _____
Address _____
Purpose _____
Date _____ Expired? _____
Deposited? _____

Name _____
Address _____
Purpose _____
Date _____ Expired? _____
Deposited? _____

Other Considerations

Consider Being an Organ Donor

More and more people are considering the need for organ donors. In some provinces your driver's license includes provision for you to indicate your intention to be an organ donor. You may also put it in your Will, or arrange it with the appropriate medical foundations - although in the case of accidental death, having the authority or approval on your person is the most effective.

Taxes

There may be taxes payable to both provincial and federal governments. Capital gains may be subject to tax under the Federal Income Tax Act. A final income tax return must be filed. For information about these taxes, you can refer to the appropriate federal or provincial taxation office. In most cases, the lawyer or accountant involved will assume responsibility for filing the necessary returns. The executor is responsible for filing, within certain time limits, the final tax return and any other returns required to be filed by the estate. A lawyer or accountant may have to be engaged to complete the appropriate returns.

Funeral Arrangements

It is prudent to make your own funeral arrangements. This relieves the burden on the family during a very difficult time. Reputable funeral directors can arrange all the details of the funeral and provide information about the various costs. Your family should be advised about whatever arrangements are made.

FUNERAL ARRANGEMENTS

I own a cemetery plot at _____
Address _____
The deed to the plot is located _____
There is (not) a provision for the perpetual care of this plot _____
Instructions regarding my funeral are contained in _____
Which is located _____
Date of last revision is _____

Know Who to Contact

When there is a death in the family, it is a great help if the surviving members know whom to contact. Your life insurance agent will have available, or can quickly obtain life insurance claim forms. Life insurance companies generally require at least two forms to establish proof of claim in addition to the policy itself: a statement by the beneficiary of the policy and an official death certificate or a statement by the attending physician. Additional forms may be required. Your agent can also assist the family to make sound financial decisions about policy benefits. A life insurance benefit may be paid as a lump sum in cash or in installments over a period of time, or may be left to earn interest. Your agent will outline and discuss the relative advantage of each.

Your employer should be contacted to determine any benefits that may be payable as a result of work related coverage. These might include company group life insurance, pension funds, accrued vacation and sick pay, terminal pay allowances or death benefits, unpaid commissions, and any company credit union balance. If you are retired and on pension at the time of death, contact should be made with the organization from which the pension came to determine the amount of any death benefit payable.

Veterans may also be eligible for additional benefits. The nearest branch of the federal Department of Veterans' Affairs should be contacted.

The nearest Canada or Quebec Pension Plan office should be contacted to find out what benefits are payable and to obtain the appropriate claim forms. There may be a lump-sum death benefit, a survivor's pension or children's benefits. In addition to application forms, the deceased's birth certificate, death certificate and social insurance number will be needed to secure the lump-sum. For a survivor's pension, the birth and marriage certificates will also be required. For each child entitled to a benefit, a birth certificate will be required and further documents may be necessary according to particular circumstances.

If you are collecting unemployment insurance at the time of death, your family will be eligible for the ensuing two weeks' benefits and should notify the local UIC office.

If you are a member of any union or business association, fraternal organization or club, there may also be some benefits payable.

Finally, a check should be made of any hospital, surgical or disability coverage to determine if there are any additional benefits that apply.

Knowing What to Do

When death occurs, there are a number of other things the executor or a member of the family should do. Some loans, mortgages, service contracts and credit card accounts are automatically paid up by a creditors group life insurance term contract. Contact should be made with all companies to find out whether such coverage exists. Some bills will have to be paid. Therefore, a request should be made promptly to each bank for the release of the monies from a husband-and-wife joint account. Laws differ slightly from province to province, but there is usually some provision made for the release of certain amounts of money by life insurance companies and banks before the will is probated. If property is transferred, particularly a house or an automobile, insurance policies covering them must be changed. Your general insurance agent should be called to advise what must be done.

Talk About It, then get on with your life

Once you have made the necessary preparations, there is one last thing you have to do. Talk with your loved ones about the arrangements you have made and make sure they understand what you have just read in these pages. It's important that they know what to do in the event of a death in the family, just as you now do. This is a difficult subject to talk about, but anticipating and forestalling the problems that can arise will give you and your family peace of mind. And then you can get on with life.

MY PERSONAL RECORD

This personal papers record should be completed and filed in an appropriate place where it is readily available.

Name: _____

Date: _____

PERSONAL PROPERTY

My safety deposit box is located _____
This box is (not) registered in my name alone. My box is under joint names with _____

Location of key for the box _____

The Key number is _____

I own the following types of personal property:

The deeds for this property are located _____

Other property is located _____

MY PROFESSIONAL ADVISERS

Life Insurance Agent _____

Investment Advisor _____

Lawyer _____

Accountant _____

Executor _____

Banker _____

Other (Doctor, Dentist, etc.) _____

CERTIFICATES

My birth certificate is located _____

Our marriage certificate is located _____

My passport is located _____

My social insurance number is _____

Other personal records are located _____

LIFE INSURANCE

I own the following life insurance:

<u>Company</u>	<u>Policy Number</u>	<u>Amount</u>	<u>Beneficiary</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Policies are located _____
Policy assignments _____

My life insurance agent is(are):

Name: _____
Address: _____
Telephone # _____

Name: _____
Address: _____
Telephone # _____

My spouse's life insurance

<u>Company</u>	<u>Policy Number</u>	<u>Amount</u>	<u>Beneficiary</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

My children's life insurance:

<u>Name</u>	<u>Company</u>	<u>Policy Number</u>	<u>Amount</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

OTHER INSURANCE

PERSONAL

I participate in the following benefit plans:

I do (not) carry personal health insurance;

Policies are located _____

My agent is _____

Address _____

Telephone # _____

I have insurance through the following clubs and associations _____

CAR

My car insurance is with _____

My agent is _____

Address _____

Telephone # _____

My policy is located _____

PROPERTY

I carry insurance on the following:

Fire

Theft

Liability

(Property)

My policy numbers are _____

Name of my company and my agent _____

The policies are located _____

SECURITIES

My securities (bonds, stocks, mortgages, mutual funds, annuities, investment certificates, etc.) are as follows:

Mutual Funds/Seg. Funds

Fund Company	Account #
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Bonds/Stocks/Mortgages, etc.

Security	Serial #	Location
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

GIC's

Company	Account #
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

My Investment Advisor is:

Name: _____

Address: _____

Phone #: _____

REAL ESTATE

I own the following property

Title is (not) held in my name alone.

Jointly with _____

There is (not) a mortgage on the property _____

It is held by _____

The deed is located _____

I have part ownership of the following property _____

The deed(s), my copies of the mortgage(s), the surveys, property insurance, policies, property tax receipts and leases are located:

BANK AND TRUST ACCOUNTS

My bank accounts are located at:

Bank (name & branch)

Account #

Bank manager's name _____

Other accounts and their numbers

INCOME TAX

Copies of my income tax returns, together with all receipts, are located _____

My accountant is _____

Name _____

Address _____

Telephone # _____

PERSONAL DEBTS

I owe money to:

Name	Date	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Copies of these transactions are located

CREDIT CARDS

My credit cards and their number are:

Card	Number	Expiry Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CLUBS, ASSOCIATIONS AND FRATERNAL SOCIETIES

I belong to the following clubs:

Club _____

Address _____

Name of person to contact _____

Death Benefits if any _____

Club _____

Address _____

Name of person to contact _____

Death Benefits if any _____