

Alberta Doctors' Digest

Sponsored article: Your estate planning checklist

Whether you are creating an estate plan or updating the one you already have in place, here's a checklist to make sure you've got what you need.

Your will

Your will sets out how your assets are distributed and who is nominated to handle your affairs.

Assets

- Keep an up-to-date list of your significant assets, note the location if outside Alberta or Canada, and maintain a file with cost base for tax purposes.
- Compile a list of your digital assets such as social media and email accounts and tell a few key people (e.g., family members, your lawyer, your executor) where to find your passwords.
- Are there any items you want to leave to a specific person?
- Where possible, do you want assets to pass outside your estate (e.g., an insurance policy, an RRSP)? If so, do this via beneficiary designation.



An MD Estate and Trust Advisor can work with you to create an estate plan

Beneficiaries

- Who will inherit your assets?
- If they are minors, people who may benefit from creditor protection (including a spouse or partner) or others whose ability to manage an inheritance causes you concern, do you have a trust or other provisions in place?

- Is the list of beneficiaries in your will up to date? Have there been recent births, deaths or marriages in your family?
- Have you included alternates in case your named beneficiaries predecease you?
- Do you want to give to charities or other organizations?

Guardians (if you have minor children)

- Have you spoken to your prospective guardian(s) to be sure they are willing? Have you included an alternate or two?
- Do the guardians have the physical health and financial means to raise your child?
- In the event that the named guardian is a non-resident of Canada, have you named a temporary Canadian guardian?
- Have you reviewed your choice of guardian as your child grows older?

Your executor

Your executor, also called a personal representative, administers your estate and carries out your wishes after you die. You can name one executor or two or more co-executors. Be sure to name one or more alternates as well.

- Is the executor capable of carrying out the responsibilities?
- Do they have the time? Even a simple estate settlement can require as much as 250 hours of direct involvement and take one to two years to administer.
- Does this person live in the same city or province? Being an executor is a lot more costly, time-consuming and inconvenient if they have to travel.
- Did you speak to your executor to be sure they are willing?
- Does your executor know where to find your passwords and your important documents?
- Will they be capable of dealing with your medical professional corporation? Are they aware of the potential double-tax issue?
- Have you considered the benefits of having your estate and trust administration managed by a trust company?

Power of attorney

A power of attorney is a legal document that appoints someone you trust to make decisions for you if you become unable to do so as a result of illness, an accident or any other reason. It can be temporary or permanent.

- Do you understand what it means to give someone power of attorney?
- Did you name an alternate in case the person you chose is unable to serve?
- Does the person you chose understand your wishes?
- Is the person a Canadian resident?
- Does the person you chose know where you keep your passwords and important documents?
- Do you want to specify a triggering event, such as a declaration of incapacity, for your power of attorney document to become effective?

Personal directive

A personal directive is a legal document that appoints someone you trust to be your agent to make decisions, including medical ones, if you are not able to.

- Did you name an alternate in case the person you chose is unable to serve?
- Does the person you chose understand your wishes?
- Have you discussed your goals of care with your physician?

Life insurance

Life insurance protects the financial security of your family. It can also help pay the taxes and other liabilities that will arise on your death.

- Do you have life insurance? If so, is it adequate? Consider a periodic needs analysis with an insurance advisor to address debt repayment, income replacement and taxes arising on death.
- Are the beneficiaries you designated on your personal policies up to date?

Funeral wishes

- Do you have specific wishes for your funeral?
- Do you want to be buried, cremated or have your body donated to medical science?
- Are you registered as an organ donor? If so, does your family know this?
- Have you informed your family of your wishes? Don't rely on your will because it may not be read until after your funeral.

Financial planning

- Do you have an idea of what your tax bill will be at your death? What about estate administration expenses and any additional probate fees for out-of-province assets?
- Have you thought about how you can minimize some of those taxes?
- Have you set aside enough money to pay for taxes, funeral costs and other expenses?
- Do you have a succession plan for your medical practice?

An MD Estate and Trust Advisor can work with you to create an estate plan. If you'd like to talk, contact Robert.McCracken@md.ca.

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