

# ***Estate Planning For Individuals Going Through Divorce/Separation***

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***Estate Planning &  
Wealth Preservation:  
To Preserve and Protect!***

# ***Introduction***

- *Today's Objective:*
  - *Discuss estate planning, wealth preservation issues, strategies and considerations*
- *Today's Agenda:*
  - *What is estate planning?*
  - *Setting goals; getting started*
  - *The fundamentals*
  - *Possible estate planning strategies*
  - *Protecting Your Wealth*

# ***What is Estate Planning?***

*It is a process:*

- *To protect and distribute your estate*
- *To ensure your wishes are fulfilled*
- *To reflect your personal goals*
- *Estate planning is not a ONE-time task*

# ***Possible Goals***

*Things to consider:*

- *Large inheritance?*
- *Provide for an heir who is disabled?*
- *Transfer a business?*
- *Minimize tax?*
- *Charitable gifts?*

# ***Getting Started***

*Assess the following:*

- *[Financial Plan](#) (press to see six step process)*
- *[Financial Checklist](#) (press to see checklist)*
- *Current net worth*
- *Business/employment situation*
- *Family dynamics*
- *[Estate Preservation](#) (press to get started)*

# ***The Fundamentals***

- *Will*
- *Executor*
- *Power of Attorney*
- *Taxes*
- *Probate*

# ***Your Will***

- *The most important document you will ever sign*
- *Legally enforceable declaration of how you want your possessions distributed after death*
- *Safeguards your interests*
- *Helps avoid disputes and disagreements*

# ***Your Will - You don't have one?***

- *Your wishes may not be met*
- *Someone, not of your choosing, may be appointed to administer your estate*
- *Higher taxes payable by your estate or heirs*
- *Your assets may be 'frozen' for a long period of time*

# ***Your Will - Issues to Consider***

- *Naming of an executor*
- *Guardian for minor children*
- *Care for dependents*
- *Division and distribution of assets*
- *Changes required in the event a beneficiary predeceases you*

# ***Your Will - Review***

- *Review your will at least every 3 years or when your circumstances change*
  - *Change in marital status*
  - *Birth of a child*
  - *Death or disability of an heir*
  - *Change in tax laws*
  - *Move to a new province or country*
  - *Change in business succession plans*
  - *Change in charities/names*

# ***Your Executor***

- *Someone named to administer your estate*
- *May choose a family member or trusted friend*
- *Could choose a professional executor*
- *Consider someone who:*
  - *has adequate level of maturity, hopefully will outlive you*
  - *is trustworthy and willing to accept the responsibility*
  - *has a clear understanding of your wishes*
  - *has knowledge/expertise to administer your affairs if they are complex*

# ***Your Executor - Responsibilities***

- *Locate and notify beneficiaries*
- *Arrange for funeral services*
- *Apply for life insurance benefits*
- *Advertise for creditors*
- *Prepare inventory of assets and pay-off debts*
- *File tax returns*
- *Distribute estate assets*
- *Administer testamentary trusts*

# ***Power of Attorney***

- *Enduring power of attorney (POA) typically gives someone authority to deal with some or all of your property should you be unable to do so*
- *Can be revoked at any time*
- *May prefer a “springing” form of POA\* which only comes into force upon mental incapacity*
- *Look for someone with the qualities of your executor*
- *After death, your executor assumes full responsibility for your affairs*

*\* available in most jurisdictions*

# ***Taxes***

- *Life's two certainties: death and taxes*
- *Three basic categories regarding income tax and your estate:*
  - *Income in the year of death*
  - *Capital gains on deemed dispositions*
  - *Registered plans*
- *Reduce income tax before death (Press to see how)*

# ***Probate***

- *Probate is a process to declare a will valid*
- *Confirms the authority of the executor*
- *Provides evidence of death*
- *Fees for probate vary from province to province  
(press to see probate fees for each province)*

# ***Estate Planning Strategies***

- *Beneficiary designations*
- *Joint ownership*
- *Gifts*
- *Insurance*
- *Trusts*

# ***Beneficiary Designations & Joint Ownership***

- *Appointing a beneficiary is one method that can result in assets not going through your estate*
- *Joint Ownership generally means assets will automatically belong to the surviving owner without going through the estate*
- *Beware of deemed dispositions, inequitable division of estate and creditor exposure with joint ownership*

# ***Gift***

- *Gift* during your lifetime
  - Act of passing assets on to beneficiaries while you are living
- *Planned charitable giving*
  - Allows you to make tax-efficient gifts to your favourite charity either during your lifetime or upon death

# ***Insurance***

- *Life insurance can be an effective way to fulfill a variety of objectives:*
  - *Can assist in creating an estate*
  - *Can assist in preserving an estate*
- *General benefit: it provides tax-free proceeds and immediate liquidity*
- *Insured Annuity ( Press to see benefits )*

# *Trusts*

- *A legal arrangement where you transfer assets to a trustee for the benefit of one or more beneficiaries*
- *Trustee manages the trust according to terms of the trust*
- *Two primary ways of establishing a trust:*
  - *Testamentary trust - through a will*
  - *Inter vivos trust - through a written trust document during your lifetime*

# ***Estate Planning Strategies***

- *There are many choices and considerations for preserving and protecting your estate*
- *Important that each strategy is implemented within the context of your estate plan as a whole*
- *Assess the big picture before implementing strategies*

# ***Estate Planning***

- *Estate planning is complex*
- *Many issues to take into consideration*
- *Decide what you want to achieve - what's most important to you and your family*
- *Talk to those you are affected by your wishes*
- *Have a will and review it on a regular basis*

# ***Estate Planning***

- *Make administering your estate as simple as possible for your executor*
- *Implement solutions that are right for you, your goals and your personal situation*
- *Consider your family's entire range of financial planning needs and issues*

# ***Estate Planning***

- *Work with an estate planning team including your financial advisor, lawyer/notary, and accountant*
- *Financial advisor:*
  - *(i) assists in helping you assess your needs,*
  - *(ii) provides recommendations for possible strategies, and*
  - *(iii) offers investment and insurance solutions to implement the estate plan*
- *Accountant and lawyer/notary:*
  - *gives professional expertise to help you carry out your wishes effectively*

# ***Protecting Your Wealth***

[www.TheDukeInvestmentTeam.com](http://www.TheDukeInvestmentTeam.com)

# ***Tax-Exempt Insurance***

- *Protects your investments from taxes*
- *Universal Life or Participating Whole Life*
- *Tax-free distribution to your estate*

# ***Living Benefits***

- *Critical illness*
- *Long-term care*
- *Disability*

# ***Living Benefits – Critical Illness Insurance***

- *Covers a wide range of common serious illnesses*
- *You receive a lump sum to use any way you see fit*
- *Personal coverage is generally superior to group coverage*

# ***Living Benefits – Long-Term Care***

- *Government health care may not be enough*
- *Long-term care insurance covers the costs of additional health care*
- *Covers home visits or a room at either a public or private care facility*

# ***Living Benefits – Disability Insurance***

- *Income replacement*
- *Universal need*
- *Covered no matter where the injury occurs*

# ***Thank You***

- *Feel free to contact me for further information or a referral to a financial adviser who will work with us to ensure your Financial Independence.*
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