

Estate Preservation – Betty & Ben Find Their Own Way

Surprisingly few have an estate plan that intentionally optimizes assets, minimizes tax and properly carries out their wishes. Not surprisingly, many estates incur avoidable expenses, delays, frustration and taxation, while heirs are left with less than was intended.

The planning effort is well worthwhile – and it's much more interesting and satisfying than you might think.

Begin with some big questions. Can we minimize tax and avoid unnecessary probate to better protect my assets? How will we ensure fair and timely distribution of our estate? Will the family be alright if one of us passes prematurely? Can we preserve more of our assets and retirement savings for our heirs? Can we protect and possibly increase wealth, while boosting after-tax income? When will we establish Power of Attorney – and who will need it on file? Are our intentions clear whether I or my spouse passes first? Could any of our assets attract US or foreign estate tax? Should we make provisions for how and when our heirs gain access to their inheritance? Are we expecting too much of our executor(s) to bear the responsibility and extended liability of administering our estate?

Does our Last Will & Testament clearly explain and fully implement these important answers?

Ben & Betty's income requirements are more than met through RRIF, pension and investment income. They are interested in preserving more for their heirs, if possible. They know that upon the first death, the deceased's RRIF will rollover tax-free to the surviving spouse. At the second death, all remaining RRIF value will be fully taxed as income in their final tax return and is subject (in most cases) to the highest marginal tax rate. Ben & Betty reviewed a "Joint-Last-to-Die" insurance program and decided it was an affordable way to prepare for the inevitable tax hit to their RRIF and several other investments and assets. Being in stable health, they applied and qualified for the program, and put it into effect.

Early in their retirement Ben & Betty travelled extensively and have slowed down a bit to enjoy more time with their adult children & grandkids. Betty has supported a local charity for over 30 years and is happy that Ben has joined her effort since his retirement. They regularly volunteer together.

They have included their children and grandchildren to share in their estate. Also, they want a fund established with their community foundation to make an annual grant in Betty's memory. They hope to encourage more people to embrace the cause that means so much to them. Due to the long term nature of their estate and trust, they have arranged for a professional Executor and Trustee to carry out their wishes and take their legacy forward. Betty & Ben have taken great care to update their Wills, ensuring that their wishes are fulfilled.



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