

# Financial Insights

from Quinn+Cardy Wealth Management  
of BMO Nesbitt Burns

## For 2021: Make Estate Planning a Priority

Happy New Year! Why not resolve to make your estate plan a priority in 2021? Here are some considerations.

Have you made your estate plan a priority? If not, why not resolve to do so for the year ahead?

An effective estate plan ensures the efficient distribution of assets according to your wishes in order to maximize the legacies to your family or other beneficiaries. With the realities of complicated family structures or business ownerships, and the intricacies of tax and succession laws, forward planning can help promote efficient administration and minimize expense down the road.

A well-prepared estate plan offers benefits that go well beyond just your money. It can help to put your mind at ease, for situations involving fairness to heirs. It may also help to ensure that those incapable of managing funds will be protected, or limit exposure to potential liability or access by others to your assets.

Here are three considerations that may get you thinking about whether your plan is structured in the best way, or if a review may be warranted:

### Consider the Use of Trusts

Trusts can be effective tools to help preserve assets for beneficiaries and prevent access by others. For example, a testamentary spousal trust can be created to hold assets for which only a spouse can receive income or distributions during their lifetime. A trustee could be appointed to help manage particular assets if a spouse is not capable. A trust may also protect assets from current creditors or past/future relationships. In provinces where applicable, assets held within the trust will not be subject to probate fees.

### Consider the Benefits of Insurance

A life insurance policy can offer a variety of estate planning benefits. It can help to cover future income tax liabilities, for



instance the potential capital gains liability of a family cottage to be inherited. Or, it can help to equalize an estate for multiple beneficiaries when passing along a family business in which all beneficiaries may not be involved. For those looking to provide a significant gift to a charity, without impacting bequests to heirs or retirement income, an insurance policy may also provide a good solution. Life insurance can be owned by an individual, a trust or a corporation, and in all cases the beneficiary receives the benefit tax-free upon the death of the insured.

### Business Owners: Plan with Available Tools

If you are a business owner, planning ahead for the eventual succession of your business can provide benefits down the road. For example, an estate freeze may help to manage the value of your business and the accompanying taxes upon its transfer. It may allow you to multiply the lifetime capital gains exemption with family member beneficiaries, which can provide significant tax benefits. It may also provide income-splitting opportunities and cap the tax liability of your shareholdings on death.

### We Can Help

Being familiar with the aspects of your financial situation, we can help provide counsel and recommend experts in the field if you require assistance with your estate plan.



### Quinn+Cardy Wealth Management of BMO Nesbitt Burns

1 First Canadian Place  
38th Floor, P.O. Box 150  
Toronto, Ontario M5X 1H3

Toll Free: 1-800-263-2286  
Fax: 416-359-5346  
[www.quinncardy.com](http://www.quinncardy.com)