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Everyone Needs an Estate Plan

Tags: estate planning [1]

Ralph became concerned about what would happen to his hard-earned estate after seeing what had happened to some people he knew.

Vivian had remarried and chose to cut costs by using a do-it-yourself will kit. Because she had not allowed for the obligations set out in her deceased husband's will, it took years and cost thousands of dollars in legal fees to settle her estate. As her cash assets earned income while held in trust, her heirs had to pay income taxes on income they hadn't even received.

James had a substantial farming operation on the outskirts of a small town. The town grew and eventually annexed his land. He did not have a will when he died. It took nearly a decade to settle his estate and also affected the commercial and residential growth of the community.

Catherine suffered a stroke and was left incapacitated for several months, unable to look after her affairs. Because she was joint owner with her husband on their home, the mortgage could not be renewed because she couldn't sign the papers. Her business had to be closed because no one else had the authority to run things in her absence.

Roy, a wealthy barber and widower, owned the building that housed his shop, RRSPs and other investment assets when he died. He happened to die when the markets were low and real estate in his city was depressed, especially commercial property. His kids had to sell his assets at bargain basement prices to pay the income taxes owing. They received less than sixty cents on the dollar after taxes and fees.

Helga's children fought for two days about funeral arrangements when she died. They were divided on cremation or burial. A brother and sister were still not speaking to each other three years later.

As Ralph wants to be remembered for the man he was, not the problems he may leave behind, he made the following estate planning checklist:

- Have a properly prepared, up-to-date Will, the cornerstone of every estate plan.
- Have a Power of Attorney that appoints a trusted individual to manage affairs if unable to.
- Have a Living Will or Personal Directive that addresses health-care wishes.
- Make sure there will be enough money to look after the lifestyle needs of dependents, pay off all debts and obligations, and cover taxes and other estate settling costs.
- Make sure that family is aware of funeral and burial or cremation wishes.

Once he has established his estate plan, Ralph will review it every few years or whenever there is a significant change in his situation.

**Fictional characters for illustrative purposes only.*

Questions about estate planning?

Contact our office! [2]

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