

Planning for the Future: Get Your Ducks in a Row



By Charlene Birdsall, CPA, CMA, CIM, CFP, National Bank Financial – Wealth Management

According to the Cambridge Dictionary, the phrase, ‘all your ducks in a row’ means, “to be well prepared or well organized for something that is going to happen.” In this article, we talk about you being prepared for something that eventually happens to EVERYONE; your demise. But are you prepared? Have you planned and followed through with your plans? Have you thought about an estate plan, and have you drawn up your will, power of attorney, and health care directive? And, if so, are they current?

According to a recent survey released by Lawyers’ Professional Indemnity Co. (LawPRO), 56 per cent of Canadian adults do not have a signed will. When you think that you have spent your lifetime working to build your legacy, you should really take the quality time necessary to build a succession plan for your wealth, and ensure the assets are passed on seamlessly and efficiently to those who matter to you most. Writing a will does provide you with peace of mind and relieves your loved ones from troubles

and stress after your death.

Family meeting – The will

Prior to writing a will, you must plan out precisely what you would like to leave and to whom, and in what percentages or amounts, be it to family, friends, or charities. You may also want to set up a family meeting to address the family dynamics, clarify or set objectives, and discuss your wealth transfer, which will help to prepare your family for when you pass away.

The subjects of death and money can be uncomfortable for even the most open families to discuss, but a family meeting will give you an opportunity to explain your rationale for your intended distribution of assets. This is especially important in the case of unequal distributions to others, such as philanthropic gifts. The family meeting should reduce the likelihood of surprises, which can mean less chance of conflict after death.

You may also want to include your wealth advisor to help set the agenda of the meeting, seeing as they would understand your concerns and interests. The wealth

advisor would act as the facilitator of the family meeting and can encourage the conversation, keep the meeting on track, get everyone involved, manage disagreements, and get a commitment to go ahead with the plan.

The executor

Another important step in the plan is to choose your executor, who would administer your estate after your death. Because the executor would follow instructions in the will, such as liquidating the assets, paying bills and taxes, and distributing the balance to the beneficiaries, they should be trustworthy, have good judgement, and have the time to look after this very important duty. Depending on the size and complexity of the estate, an executor’s work can take anywhere from an average of 18 months to up to four years, so don’t forget to talk it over with them beforehand to make sure they’re willing to take on such a big role. It is also advised that the executor be in the same province where you reside to avoid any unnecessary legal hassles, as well as to have

alternative executors who can take over if your first choice is unable or unwilling to do the job.

If you cannot think of someone to be the executor, or you have a large estate, own a business, or have property outside of the country, you could consider appointing a professional person, such as a lawyer, notary, or trust company to serve as an executor. Fees would be charged by the professionals or trust companies, which would come out of the estate. Also, given the amount of work that is required by your personal executor, you may want to specify the percentage of amount of compensation.

Other documentation

Before you see the lawyer to draw up your will, you should also think about the power of attorney document and the health care directive. These are documents that come in handy while you are alive.

The power of attorney

The power of attorney document is used when you can no longer take care of your financial assets. It is a legal document that grants the attorney (the person you have given the authority) to make decisions on your behalf and pay bills, deal with investment accounts, manage rental properties, continue any planned giving arrangements, or generally look after your financial assets.

The power of attorney can be a continuing – or enduring – power of attorney, which gives the unlimited attorney broad rights to look after your affairs, including if you become incapacitated. The power of attorney could also be a springing power of attorney, giving the attorney unlimited powers and only when you become incapacitated. Typically, the attorney would be your spouse or someone close that you trust.

The healthcare directive

This document expresses your wishes about the amount and type of health care treatment you want, plus it states that you can refuse medical treatment should you become unable to communicate this with your doctors and family. This document relieves the burden on your family in guessing how you want the doctors to act towards your healthcare.

By getting your ducks in a row now, you will have a roadmap of your choosing detailing your wishes for your loved ones to follow should you become incapacitated or upon death. ▶

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