

Never Think VOL. 4 | NO. 2 NEVER



Don't leave anything to chance, it's time to plan your estate

Are you one of those people who spends 20 hours planning a trip down south, but doesn't take any time to plan the estate you'd like to leave to your loved ones? People often neglect to plan their estate, but it's an essential step to ensure your heirs have financial assistance that will help them meet their needs.

A team of professionals at your caisse Desjardins and various Desjardins Group subsidiaries is ready to help you successfully navigate all the stages of planning an estate of any size.

Plan the transfer of your estate in 5 easy steps!

1. MAKING AN INVENTORY OF YOUR ASSETS

The first step to properly planning your estate consists of drawing up an inventory of your property, investments, securities, debts, commitments, etc. This list will give you an accurate picture of your estate and help you make an informed decision as to who will inherit your assets. An essential step for your peace of mind!

2. SETTING UP A PLAN

Have you drawn up your will? Whatever your age, your family situation, or the value of your assets, this document is the key to leaving what you want to whom you want, according to your wishes.

We can discuss this aspect with you at your caisse, keeping in mind your goals, your lifestyle, and the value of your

estate. We have all the tools necessary to make the task easier and consider what would be best for your heirs.

3. OPTIMIZING THE TAX ASPECTS OF YOUR PLAN

This is the aspect people tend to spend the least time on and yet it's the one that can provide the greatest benefit to your heirs. We all know the old saying, "Only two things are certain in life: death and taxes." According to the tax rules in effect in Canada, taxpayers who die are presumed to have disposed of their assets at their fair market value immediately prior to death. Consequently, income tax must be paid on the value of these assets (RRSP, RRIF, capital property, investments, etc.).

If you are survived by your spouse, your assets can be rolled over to him/her, thus delaying taxation. If you are in a common-law marriage, however, a will is required to let your intentions be known. Otherwise your assets will be distributed according to the laws in effect. Plus, drawing up a will helps you determine the tax benefits you wish to enjoy, regardless of your marital status.

Instead of bequeathing a sum for your grandchildren's education, you can contribute to a Registered Education Savings Plan (RESP) while you are alive and thus benefit from government grants.

Did you know that...

You can reduce the income tax your heirs will be required to pay on your estate by making certain provisions now. Certain assets you wish to bequeath can be transferred tax free upon your death, but they must be identified.

Your marital status can have a major impact on the disposition of your assets.



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4. THE IMPORTANCE OF PLANNING EARLY

When planning your estate, take the time to examine both your current and future situation to ensure you don't forget anything. One often overlooked aspect is the mandate in case of incapacity, which can be instrumental in helping your loved ones oversee your affairs while you are alive, if required.

Upon your death, a well-prepared will prevents undesirable situations and ensures the well-being of your loved ones despite the grief caused by your passing.

Do you have any idea what an executor is required to do? What happens when no executor is named?

5. IMPLEMENTING YOUR PLAN

A clearly worded will can make all the difference for your executor. Designating an executor is important, and the support you can provide to him/her is even more important. At Desjardins, your executor can take advantage of the expertise of Group Desjardins specialists to carry out this task efficiently.

A team of experts (notaries, lawyers, tax experts, and accountants) works with us to offer you customized assistance to transfer your estate.

You haven't designated an executor? We can suggest one to you. If your estate includes exceptional assets such as businesses, a trust, real estate investments, or others, it may be best to entrust this task to our Desjardins Private Management team of experts. Thanks to their extensive knowledge in various fields — including law, taxation, and financial management — your heirs could enjoy undeniable benefits.

Many people put off estate planning, but you don't have to wait until the last minute. It's a good idea to review your plan regularly or when you experience a major life change (marriage, birth of children, divorce, etc.).

Peace of mind is priceless!

Planning is reassuring! Come meet with us — we can help you make the right choices. We'll also propose customized strategies to help you plan your estate properly. It's a win-win situation for both you and your heirs!



Avoid leaving an inheritance of debt

Most of us wish to leave an estate that will ensure the material well-being of our loved ones. Building such an estate, however, is difficult and takes years of hard work and thoughtful planning. Do you know exactly what will happen to the value of your estate when your loved ones take possession of it upon your death?

A SOLUTION FOR PROTECTING YOUR ESTATE

Life insurance is a simple and effective planning tool that helps limit the devastating effect of taxation on the assets you wish to bequeath. A bad plan may require the executor to sell assets to pay the income tax, while life insurance helps protect dependants, preserve or build an estate, or procure funds to ensure a fair settlement of the estate. What's more, the effectiveness of this solution does not erode over time. A life insurance policy can often be adjusted to evolve as you age, according to your needs.

Have you thought of creating a testamentary trust? It can be another way to minimize your income tax or split the income of your heirs.

There are many solutions available, some of them quite complex. Be sure to get the advice of an expert. Drop by to see us — we'll introduce you to the financial security advisor at Desjardins Financial Security, Financial Services Firm.



Money working for people

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