



# Wealth Insights

TD Wealth Private Investment Advice

Monthly Perspectives From The Daley Group Wealth Management

## Your Estate Plan: Do You Have These Four Basic Elements?

### When was the last time you reviewed your estate plan?

Within this review, four basic elements should be considered. Do you have these elements in place? If so, when was the last time you reviewed them?

**Power of Attorney/Mandate** — Do you have a plan in place to support you in the event you are unable to speak for yourself or make your own decisions? The power of attorney is a legal document that allows the chosen individual(s) to make financial or healthcare decisions on your behalf if you cannot act for yourself. While the name, terms and conditions may vary by province, there are generally two separate documents for financial and medical powers of attorney. Under a financial power of attorney, the individual(s) will make financial decisions and manage your property on your behalf. Under a medical power of attorney, they will make healthcare decisions in the event you become incapacitated.

**Living Will/Advanced Directive** — What kind of care would you wish to receive if you are unable to communicate? In provinces where applicable, a living will (also referred to as an “advanced directive”) allows you to specify certain medical or lifestyle decisions should you become unable. This may be useful to clearly indicate your wishes and provide guidance to caregivers if needed, such as instructions or preferences for pain relief and palliative care, life-prolonging preferences, artificial life support (intubation and ventilators) and do-not-resuscitate orders.

**Will** — How will you pass along your assets to your intended beneficiaries? A will helps to direct the distribution of material possessions in accordance with your personal wishes. If you have minor children, the will should also appoint a guardian. The will is the cornerstone of any estate plan. Without it, you will be considered to die “intestate” and assets will be divided according to rules laid out in the legislation of your province of residence. Provincial laws vary, such as differences in the amount of preferential share of the estate to be received by a spouse or how much must be held in trust by a provincial trustee for minor children.

An executor must be appointed within the will: the person(s)/institution to oversee the estate’s administration and carry out instructions within the will. The duties can be significant, such as arranging the funeral, finding, itemizing or managing estate assets, arranging probate (where applicable), calling financial institutions to notify them of the death, managing income tax returns, liquidating or distributing assets and more. These duties may need to be carried out during a time of grief. As such, it’s not only important to carefully choose the executor, but also ensure they are willing to take on the role.



As you consider your estate assets, forward planning may help to better pass them along in the future. For instance, the tax liability associated with certain appreciated assets, such as a business or cottage, can be so significant that some estates need to liquidate them to cover the expense. Planning today may help address the liability, such as implementing life insurance or using other tax-planning strategies.

**Testamentary Trusts** — If something were to happen to you, would family members need ongoing financial security or support? Establishing testamentary trusts can help to provide asset protection, preservation and growth by limiting access and specifying the timing and amount of distributions to beneficiaries. Other benefits include protecting assets from creditors, planning to defer capital gains taxes for spouses or safeguarding assets in the event of changes in family matrimony.

Having a well-thought-out estate plan can not only provide you with comfort knowing that your loved ones will be well-cared for, but can also help to leave a lasting legacy. If you would like an introduction to legal and estate planning professionals, please call the office.

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