

Protecting your Estate

What You Need To Know

PREVIEW

Life's brighter under the sun



IMPORTANT INFORMATION - DISCLAIMER

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Presented by

Advisor Name Here:

Sun Life Financial advisor

*Mutual funds distributed by Sun Life Financial Investment Services (Canada) Inc.



PREVIEW

Death and
taxes



PREVIEW

Choice and
Control

Begin with
the end in mind

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-- Stephen R. Covey, Ph.D.
7 Habits of Highly Effective People, 1989



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Legal

What's important about
money
to you?

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“Happy Money”

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Dunn & Norton, Happy Monday:
The Science of Smarter Spending, 2013



1. Buy Experiences

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Dunn & Norton, Happy Monday:
The Science of Smarter Spending, 2013

2. Make it a treat

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Dunn & Norton, Happy Monday:
The Science of Smarter Spending, 2013

3. Buy time

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Dunn & Norton, Happy Monday:
The Science of Smarter Spending, 2013

QUESTION...

What percentage of adult
Canadians with living parents
have met to discuss their
parents' funeral plans?

43%

Decima Research, June 2005

QUESTION...

What percentage of adult
Canadians with living parents
have met to discuss the family
estate?

27%

Decima Research, June 2005

QUESTION...

What percentage of millionaires
(\$10,000,000) do not have a
will, health care proxy or trust?

37%

QUESTION...

What percentage of Canadians
do not have a Last Will and
Testament?

62%

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QUESTION...

What percentage of Canadians
have an out of date will?

12%

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Questions

to ask yourself..

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1. Why does it matter
that Canadians are living
longer?

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Why does it matter
that Canadians are
living longer?

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- Cash-Flow Insecurity?
- The “Care-Giving Squeeze”?
- Medical Expenses?
- Financial Risk?
- Longevity Risk?

2. Do you have
an idea as to how much
your estate will be
worth?

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Future value of your estate?

- Home?
- Cottage?
- Business?
- RRSPs, RRIF, Pension Plan?
- Investment Portfolio?

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3. Do you know
what would happen if you
were to become mentally or
physically incapacitated?

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Incapacity?

- Powers of Attorney?
- Short-term care?
- Medical benefit coverage?
- Disability (insurance)?
- Critical illness (insurance)?
- Long-term care (insurance)?
- Personal health (insurance)?

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4. Have you thought
about what would
happen to your family if
you passed away?

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Estate plan?

- With a will or die intestate?
- Life insurance or not insured?
- Beneficiary designation?

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5. Have you thought
about how you'll support
your loved ones in the
future?

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Support?

- Parents?
- Siblings?
- Spouse?
- Children? (special needs?)
- Grandchildren (special needs?)

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6. Are you or are you
part of a blended family?

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Blended family?

- Separation agreement(s)?
- Divorce settlement(s)
- Financial obligations?
- Insurance obligations?
- Marriage contract?
- Cohabitation agreement?
- Net family property?
- In loco parentis?

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7. How important
is it to you, to be able to
help your children
or grandchildren
financially?

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Children or grandchildren?

- Basics of life?
- Education?
- Special needs?
- Direct legacy or through trusts?
- Legacy: now or later?

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9. Do you know what
your **tax** liability is now
and on your estate
later?

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Tax bill of average Canadian family

Total cash income	\$ 88,865
Taxes:	
Income taxes	12,242
Payroll & health taxes	7,475
Sales taxes	5,800
Property taxes	4,250
Profits tax	4,720
Amusement, & other excise taxes	1,855
Auto, fuel, & motor vehicle licence taxes	1,096
Other taxes	1,071
Natural resource taxes	343
Import duties	397
Total taxes	\$ 39,299

Fraser Institute, *Taxes versus the Necessities of Life:*
The Canadian Consumer Tax Index, August 2019

TAXES NOW

Tax bill of average Canadian family

44.2%
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Fraser Institute, Taxes versus the Necessities of Life: The Canadian Consumer Tax Index, August 2019

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Ontario/Federal Top Marginal Income Tax Rate

53 53%
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Source: https://assets.ey.com/content/dam/ey-sites/ey-com/en_ca/topics/tax/tax-calculators/2020/ey-tax-rates-ontario-2020.pdf

Final taxes?

Deemed disposition of...

- RRSPs/RRIFs?
- Capital Gains/Losses Taxes?
- Recapture of CCA?
- Probate Taxes?
- Foreign Estate Taxes?

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The New “Estate Tax”?

Ontario/Federal Top Marginal Tax Rate

53 53%

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Source: https://assets.ey.com/content/dam/ey-sites/ey-com/en_ca/topics/tax/tax-calculators/2020/ey-tax-rates-ontario-2020.pdf

Your “beneficiaries”
include:

- CRA taxes
- Your creditors, who are owed
- Your estate, what's left

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10. Are your estate advisors and family familiar with the necessary duties on the “position”

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Does your executor know?

- Possible: 4 different Tax Returns
- Probate Taxes
- Spousal Rollovers
- Testamentary Income Splitting
- Trusts & Trust Taxation
- Insurance Trusts
- Digital Property
- International Wills/Settlements
- CRA Clearance Certificate

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Is your
estate plan
leaving the legacy you
want?

"The more dollars adult children receive, the fewer dollars they accumulate, while those who are given fewer dollars accumulate more."

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Stanley & Danko, *The Millionaire Next Door*, 1996

Creating a legacy plan now can help to
avoid family disputes in the future.

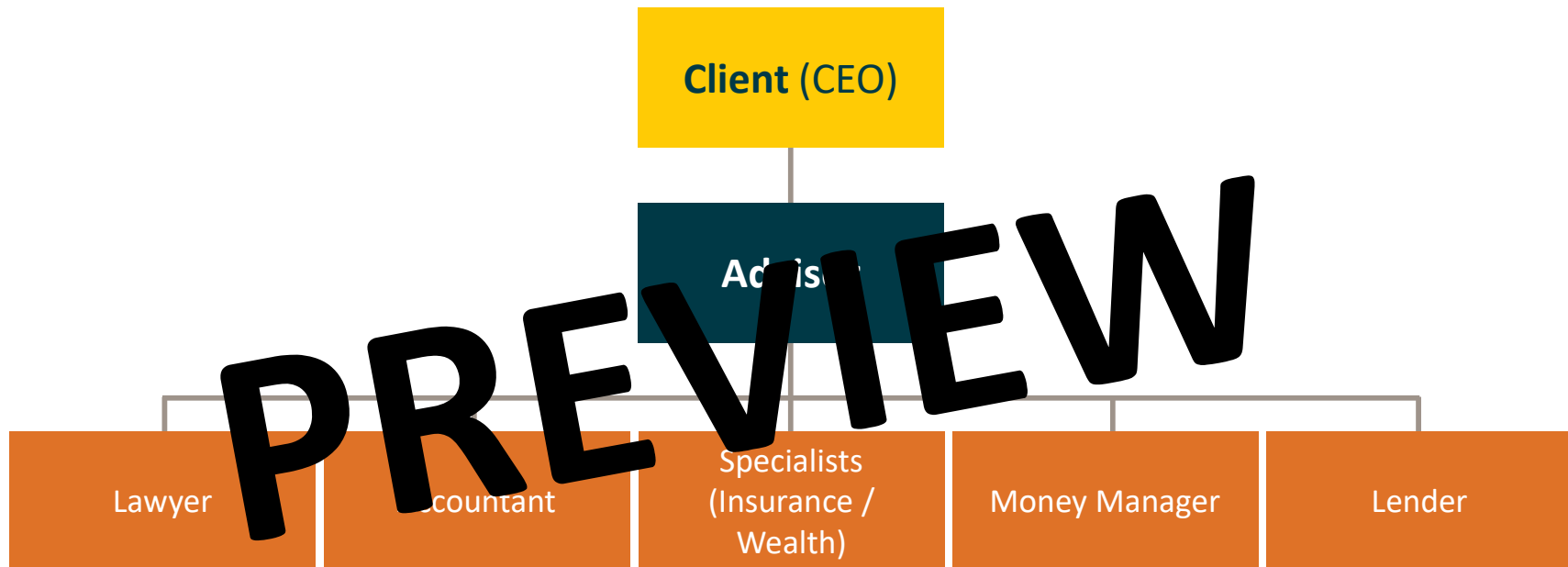
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Our room?



Collison, The Financial Advisor's Guide to Excellence, 2015

The Estate Planning Process

1.
Establish
retirement lifestyle
and expenses

2.
Determine your
estate distribution

3.
Formulate
strategies for
distribution

4.
Minimize estate
taxation

5.
Protect your estate
value

6.
Formalize estate
documentation

7.
Monitor and
evaluate

But remember...

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“Happy Money”

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Please give
us your feedback

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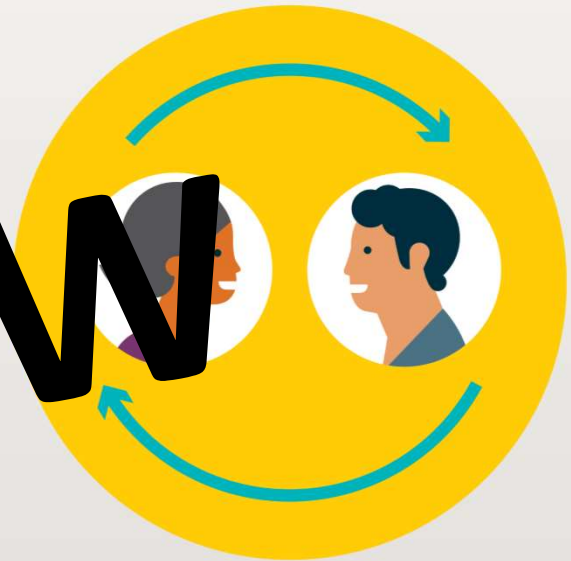
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Catherine Koch, 5/5/2020

Book your appointment
now!

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Questions?

Advisor Name: _____
Sun Life Financial Advisor: _____

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