

Table of Contents

PART I. INTRODUCTION

CHAPTER 1. INTRODUCTION TO WEALTH PLANNING

- § 1:1 What is Wealth Planning?
- § 1:2 The Wealth Planning Process
- § 1:3 —Financial Planning
- § 1:4 —Tax Planning
- § 1:5 —Family Law Issues
- § 1:6 —Disability Planning
- § 1:7 —Estate Planning
- § 1:8 —Insurance Planning
- § 1:9 How to Use this Book
- § 1:10 —Life Scenarios
- § 1:11 —Reference Chapters
- § 1:12 —Jurisdiction Differences
- § 1:13 —Case Studies
- § 1:14 The Need for Professional Advice
- § 1:15 Proposed Capital Gains Inclusion Rate Changes
- § 1:16 Other Proposed Tax Changes

PART II. LIFE SCENARIOS

CHAPTER 2. SINGLE

I. INTRODUCTION

- § 2:1 Overview

II. FINANCIAL PLANNING

- § 2:2 Emergency Fund
- § 2:3 Retirement Plan
- § 2:4 Buying a First Home

III. TAX PLANNING

- § 2:5 Overview

IV. FAMILY LAW ISSUES

§ 2:6 Overview

V. DISABILITY PLANNING

- § 2:7 Introduction
- § 2:8 Powers of Attorney
- § 2:9 Disability Insurance
- § 2:10 Critical Illness Insurance
- § 2:11 Long-Term Care Insurance

VI. ESTATE PLANNING

- § 2:12 No Dependants
- § 2:13 —Will Planning
- § 2:14 —Beneficiary Designations
- § 2:15 —Donation of Body Tissue/Funeral Arrangements
- § 2:16 Dependants
- § 2:17 —Guardianship
- § 2:18 —Beneficiary Designations
- § 2:19 —Pets
- § 2:20 Digital Assets

VII. INSURANCE PLANNING

- § 2:21 Introduction
- § 2:22 No Dependants
- § 2:23 Dependants

VIII. JURISDICTION DIFFERENCES

§ 2:24 Overview

IX. CASE STUDIES

- § 2:25 Single, No Children
- § 2:26 Single, With Children

CHAPTER 3. COMMON-LAW COUPLES

I. INTRODUCTION

§ 3:1 Overview

II. “COMMON-LAW” STATUS

§ 3:2 When Are You Living Common-Law?

TABLE OF CONTENTS

- § 3:3 Trying to Avoid Common-Law Status
- § 3:4 Moving to Another Jurisdiction
- § 3:5 Property in Other Jurisdictions

III. FINANCIAL AND TAX PLANNING

- § 3:6 Financial Planning
- § 3:7 Tax Planning

IV. FAMILY LAW ISSUES

- § 3:8 Introduction
- § 3:9 Spousal Support
- § 3:10 Division of Family Property—Family Property Remedies for Common-Law Couples
- § 3:11 —Pensions
- § 3:12 —Where Treated Like a Married Couple
- § 3:13 —Jointly Held Assets
- § 3:14 —Business Owners
- § 3:15 —Cohabitation Agreements
- § 3:16 Child Support

V. DISABILITY PLANNING

- § 3:17 Overview

VI. ESTATE PLANNING

- § 3:18 Introduction
- § 3:19 Pension Survivor Benefits
- § 3:20 Right to Inherit
- § 3:21 Appointing Personal Representatives
- § 3:22 Preventing Challenges from Other Family Members
- § 3:23 Implications of Marriage at a Later Date
- § 3:24 Dependant's Relief Applications
- § 3:25 RRSP and RRIF Beneficiary Designations
- § 3:26 Other Issues

VII. INSURANCE PLANNING

- § 3:27 Overview

VIII. STATUS INDIANS

- § 3:28 Overview

IX. JURISDICTION DIFFERENCES

A. ALBERTA

- § 3:29 General Definition

- § 3:30 Support Rights
- § 3:31 Family Property Rights
- § 3:32 Family Home
- § 3:33 Rights at the Time of Death
- § 3:34 Effect on Previous Wills

B. BRITISH COLUMBIA

- § 3:35 General Definition
- § 3:36 Support Rights
- § 3:37 Family Property Rights
- § 3:38 Family Home
- § 3:39 Rights at the Time of Death
- § 3:40 Effect on Previous Wills

C. MANITOBA

- § 3:41 General Definition
- § 3:42 Support Rights
- § 3:43 Family Property Rights
- § 3:44 Family Home
- § 3:45 Rights at the Time of Death
- § 3:46 Effect on Previous Wills

D. NEW BRUNSWICK

- § 3:47 General Definition
- § 3:48 Support Rights
- § 3:49 Family Property Rights
- § 3:50 Family Home
- § 3:51 Rights at the Time of Death
- § 3:52 Effect on Previous Wills

E. NEWFOUNDLAND

- § 3:53 General Definition
- § 3:54 Support Rights
- § 3:55 Family Property Rights
- § 3:56 Family Home
- § 3:57 Rights at the Time of Death
- § 3:58 Effect on Previous Wills

F. NORTHWEST TERRITORIES

- § 3:59 General Definition
- § 3:60 Support Rights
- § 3:61 Family Property Rights

TABLE OF CONTENTS

- § 3:62 Family Home
- § 3:63 Rights at the Time of Death
- § 3:64 Effect on Previous Wills

G. NOVA SCOTIA

- § 3:65 General Definition
- § 3:66 Support Rights
- § 3:67 Family Property Rights
- § 3:68 Family Home
- § 3:69 Rights at the Time of Death
- § 3:70 Effect on Previous Wills

H. NUNAVUT

- § 3:71 Nunavut

I. ONTARIO

- § 3:72 General Definition
- § 3:73 Support Rights
- § 3:74 Family Property Rights
- § 3:75 Family Home
- § 3:76 Rights at the Time of Death
- § 3:77 Effect on Previous Wills

J. PRINCE EDWARD ISLAND

- § 3:78 General Definition
- § 3:79 Support Rights
- § 3:80 Family Property Rights
- § 3:81 Family Home
- § 3:82 Rights at the Time of Death
- § 3:83 Effect on Previous Wills

K. QUEBEC

- § 3:84 General Definition
- § 3:85 Support Rights
- § 3:86 Family Property Rights
- § 3:87 Family Home
- § 3:88 Rights at the Time of Death
- § 3:89 Effect on Previous Wills

L. SASKATCHEWAN

- § 3:90 General Definition

- § 3:91 Support Rights
- § 3:92 Family Property Rights
- § 3:93 Family Home
- § 3:94 Rights at the Time of Death
- § 3:95 Effect on Previous Wills

M. YUKON

- § 3:96 General Definition
- § 3:97 Support Rights
- § 3:98 Family Property Rights
- § 3:99 Family Home
- § 3:100 Rights at the Time of Death
- § 3:101 Effect on Previous Wills

X. CASE STUDIES

- § 3:102 Living Common-Law, Jurisdiction Generally Does Not Recognize Status
- § 3:103 Living Common-Law, Jurisdiction Generally Recognizes Status

CHAPTER 4. ENGAGED

- § 4:1 Introduction
- § 4:2 Financial Planning
- § 4:3 Tax Planning
- § 4:4 Family Law Issues—Family Property Rules
- § 4:5 —Gifts from Family Members
- § 4:6 Disability Planning
- § 4:7 Estate Planning
- § 4:8 Insurance Planning
- § 4:9 Jurisdiction Differences
- § 4:10 Case Studies—Engaged, One Spouse Owns a Home
- § 4:11 —Engaged, One Spouse Owns a Business

CHAPTER 5. MARRIED

I. INTRODUCTION

- § 5:1 Overview

II. FINANCIAL PLANNING

- § 5:2 Credit Cards
- § 5:3 Pension Plans
- § 5:4 Emergency Funds

TABLE OF CONTENTS

§ 5:5 Buying a First Home

III. TAX PLANNING

- § 5:6 Introduction
- § 5:7 Income Splitting
- § 5:8 —Pension Income Splitting
- § 5:9 —Spousal RRSPs
- § 5:10 —Lower-income Spouse Does the Saving; Higher-income Spouse Does the Spending
- § 5:11 —Tax-Free Savings Accounts
- § 5:12 —Prescribed Rate Loans
- § 5:13 —Paying a Salary to a Spouse
- § 5:14 —Issuing Shares of a Corporation to a Spouse
- § 5:15 Maximizing the Charitable Donation Credit
- § 5:16 Maximizing the Medical Expense Credit
- § 5:17 Transferring Unused Tax Credits
- § 5:18 Transferring Unused Capital Losses
- § 5:19 Maximizing the Spousal Tax Credit

IV. FAMILY LAW ISSUES

- § 5:20 Introduction
- § 5:21 Important Family Property Laws
- § 5:22 —Assets Acquired Prior to the Time of Marriage
- § 5:23 —Businesses
- § 5:24 —Inheritances and Gifts
- § 5:25 —Right to Possession of Family Home
- § 5:26 —Not All Debt Is Shareable
- § 5:27 Domestic Contracts

V. DISABILITY PLANNING

- § 5:28 Introduction
- § 5:29 Powers of Attorney
- § 5:30 Disability Insurance
- § 5:31 Critical Illness Insurance
- § 5:32 Long-Term Care Insurance

VI. ESTATE PLANNING

- § 5:33 Why You Need a Will
- § 5:34 —Children
- § 5:35 —Common Disaster Clauses
- § 5:36 —Tax Elections
- § 5:37 Spouse Trusts

- § 5:38 Leaving Assets to Beneficiaries Other Than a Spouse
- § 5:39 Pension Survivor Benefits
- § 5:40 Direct Beneficiary Designations
- § 5:41 Funeral Arrangements
- § 5:42 Separation and Divorce

VII. INSURANCE PLANNING

- § 5:43 Introduction
- § 5:44 Disability, Critical Illness and Long-Term Care Insurance
- § 5:45 Life Insurance
- § 5:46 —To Create an Estate
- § 5:47 —To Preserve an Estate
- § 5:48 —To Equalize an Estate

VIII. JURISDICTION DIFFERENCES

- § 5:49 Alberta
- § 5:50 British Columbia
- § 5:51 Manitoba
- § 5:52 New Brunswick
- § 5:53 Newfoundland
- § 5:54 Northwest Territories
- § 5:55 Nova Scotia
- § 5:56 Nunavut
- § 5:57 Ontario
- § 5:58 Prince Edward Island
- § 5:59 Quebec
- § 5:60 Saskatchewan
- § 5:61 Yukon

IX. CASE STUDIES

- § 5:62 Married, With Children, No Will
- § 5:63 Prescribed Rate Loan

CHAPTER 6. SEPARATED

I. INTRODUCTION

- § 6:1 Overview

II. FINANCIAL PLANNING

- § 6:2 Overview

TABLE OF CONTENTS

III. TAX PLANNING

- § 6:3 Introduction
- § 6:4 Transfer Assets Tax Effectively—Account for Tax Liabilities
 - § 6:5 —Consider Triggering Capital Gains
 - § 6:6 —Consider Triggering Capital Losses
 - § 6:7 —Beware of the Attribution Rules
 - § 6:8 —Obtain an Indemnity for Unpaid Taxes
- § 6:9 Principal Residence Exemption
- § 6:10 Spousal Tax Credit
- § 6:11 Wholly Dependent Person Credit
- § 6:12 RPPs, RRSPs and RRIFs
- § 6:13 Support Payments—Spousal Support
 - § 6:14 —Child Support
- § 6:15 Deductibility of Legal Fees
- § 6:16 Child Care Expenses

IV. FAMILY LAW ISSUES

- § 6:17 Introduction
- § 6:18 Division of Property
- § 6:19 Spousal Support—Right to Receive Support
 - § 6:20 —Tax Deductibility
 - § 6:21 —Liability of an Estate
- § 6:22 Child Support
- § 6:23 Pensions
- § 6:24 Separation Agreements

V. DISABILITY PLANNING

- § 6:25 Overview

VI. ESTATE PLANNING

- § 6:26 Introduction
- § 6:27 Rewrite Your Will
- § 6:28 Consider Severing Jointly Held Property
- § 6:29 Consider Life Insurance to Fund Support Obligations
- § 6:30 Review Your Beneficiary Designations
- § 6:31 Divorce
- § 6:32 Dependants' Relief Claims

VII. INSURANCE PLANNING

- § 6:33 Introduction

- § 6:34 Obtain Insurance to Fund Support Obligations
- § 6:35 Review Your Medical and Dental Insurance
- § 6:36 Review Your Disability, Critical Illness and Long-Term Care Insurance
- § 6:37 Review Your Life Insurance Coverage

VIII. JURISDICTION DIFFERENCES

A. ALBERTA

- § 6:38 Common-Law Couples
- § 6:39 Married Couples

B. BRITISH COLUMBIA

- § 6:40 Common-Law Couples
- § 6:41 Married Couples

C. MANITOBA

- § 6:42 Common-Law Couples
- § 6:43 Married Couples

D. NEW BRUNSWICK

- § 6:44 Common-Law Couples
- § 6:45 Married Couples

E. NEWFOUNDLAND

- § 6:46 Common-Law Couples
- § 6:47 Married Couples

F. NORTHWEST TERRITORIES

- § 6:48 Common-Law Couples
- § 6:49 Married Couples

G. NOVA SCOTIA

- § 6:50 Common-Law Couples
- § 6:51 Married Couples

H. NUNAVUT

- § 6:52 Nunavut

I. ONTARIO

- § 6:53 Common-Law Couples

TABLE OF CONTENTS

§ 6:54 Married Couples

J. PRINCE EDWARD ISLAND

§ 6:55 Common-Law Couples

§ 6:56 Married Couples

K. QUEBEC

§ 6:57 De Facto, Civil Union Couples and Parental Unions

§ 6:58 Married Couples

L. SASKATCHEWAN

§ 6:59 Common-Law Couples

§ 6:60 Married Couples

M. YUKON

§ 6:61 Common-Law Couples

§ 6:62 Married Couples

IX. CASE STUDIES

§ 6:63 Separated, Living Common-Law, No Children

§ 6:64 —Jurisdiction Differences for this Case Study

§ 6:65 Separated, Married, No Children

§ 6:66 Separated, Living Common-Law, With Children

§ 6:67 —Jurisdiction Differences for this Case Study

§ 6:68 Separated, Married, With Children

CHAPTER 7. DIVORCED

§ 7:1 Introduction

§ 7:2 Financial Planning

§ 7:3 Tax Planning

§ 7:4 Family Law Issues

§ 7:5 Disability Planning

§ 7:6 Estate Planning

§ 7:7 —Review Your Will

§ 7:8 —Review Your Beneficiary Designations

§ 7:9 Insurance Planning

§ 7:10 Jurisdiction Differences—Alberta

§ 7:11 —British Columbia

§ 7:12 —Manitoba

§ 7:13 —New Brunswick

§ 7:14 —Newfoundland

§ 7:15 —Northwest Territories

- § 7:16 —Nova Scotia
- § 7:17 —Nunavut
- § 7:18 —Ontario
- § 7:19 —Prince Edward Island
- § 7:20 —Quebec
- § 7:21 —Saskatchewan
- § 7:22 —Yukon
- § 7:23 Case Studies

CHAPTER 8. BLENDED FAMILIES

I. INTRODUCTION

- § 8:1 Overview

II. FINANCIAL PLANNING

- § 8:2 Creating a Combined Financial Plan
- § 8:3 Retirement Planning

III. TAX PLANNING, FAMILY LAW ISSUES AND DISABILITY PLANNING

- § 8:4 Tax Planning
- § 8:5 Family Law Issues
- § 8:6 Disability Planning

IV. ESTATE PLANNING

- § 8:7 Potential Estate Planning Problems
- § 8:8 —If Assets Left to Spouse
- § 8:9 —If Assets Left to Children
- § 8:10 Estate Planning Strategies
- § 8:11 —Spouse or Common-Law Partner Trusts
- § 8:12 —Dividing Assets Between Spouse and Children
- § 8:13 —Using Insurance to Fund Obligations
- § 8:14 —Registered Investments
- § 8:15 —Alter Ego or Joint Partner Trusts
- § 8:16 Personal Effects
- § 8:17 Common Disasters
- § 8:18 Personal Representatives
- § 8:19 Guardianship
- § 8:20 Funerals

V. INSURANCE PLANNING

- § 8:21 Overview

TABLE OF CONTENTS

VI. JURISDICTION DIFFERENCES

§ 8:22 Jurisdiction Differences

VII. CASE STUDY

§ 8:23 Blended Family, Living Common-Law, No Will

CHAPTER 9. WIDOWED

- § 9:1 Introduction
- § 9:2 Financial Planning—CPP Benefits
- § 9:3 —Investing Your Inheritance
- § 9:4 Tax Planning
- § 9:5 Family Law Issues
- § 9:6 Disability Planning
- § 9:7 Estate Planning—Will Planning
- § 9:8 —Minor Children
- § 9:9 —Adult Children
- § 9:10 —Beneficiary Designations
- § 9:11 Insurance Planning
- § 9:12 Jurisdiction Differences
- § 9:13 Case Studies—Widowed, With Minor Children
- § 9:14 —Widowed, With Adult Children

CHAPTER 10. CHILDREN

I. INTRODUCTION

§ 10:1 Overview

II. FINANCIAL PLANNING

- § 10:2 CPP Benefits
- § 10:3 Registered Education Savings Plans
- § 10:4 Placing Assets in Trust for a Child
- § 10:5 —Informal Trusts
- § 10:6 —Formal Trusts
- § 10:7 Lending Assets to a Child
- § 10:8 Making a Gift to a Child
- § 10:9 —Tax Issues
- § 10:10 —Control Issues
- § 10:11 —Maintaining Family Harmony
- § 10:12 —Protecting a Gift from a Family Property Claim

III. TAX PLANNING

§ 10:13 Introduction

- § 10:14 Child Care Expenses
- § 10:15 File a Tax Return
- § 10:16 Encourage Your Child to File a Tax Return
- § 10:17 Tax-Free Savings Accounts
- § 10:18 Starting an RRSP for Your Child
- § 10:19 Income Splitting with Your Children
- § 10:20 Tuition Tax Credit
- § 10:21 Moving Expenses
- § 10:22 Scholarships
- § 10:23 Interest Payments on Student Loans
- § 10:24 Wholly Dependent Person Credit
- § 10:25 Tax Credit for Adoption Expenses
- § 10:26 First Home Savings Account

IV. FAMILY LAW ISSUES

- § 10:27 Overview

V. DISABILITY PLANNING

- § 10:28 Overview

VI. ESTATE PLANNING

- § 10:29 Introduction
- § 10:30 Guardianship
- § 10:31 Rights of Children in the Case of Intestacy
- § 10:32 Dividing an Estate Between Children
- § 10:33 Leaving Money to Minors
- § 10:34 Using Trusts for Adult Children
- § 10:35 Protecting Assets Given to Children from Family
Property Claims
- § 10:36 Personal Representatives
- § 10:37 Ensuring Your Child Receives an Inheritance
- § 10:38 Disowning a Child
- § 10:39 CPP Orphan Benefits
- § 10:40 Estate Planning for Pets

VII. INSURANCE PLANNING

- § 10:41 Introduction
- § 10:42 Reviewing Your Insurance Needs
- § 10:43 Designating a Child as a Direct Beneficiary
- § 10:44 Insurance Trusts
- § 10:45 Insurance for Children
- § 10:46 Using Insurance to Shelter Income

TABLE OF CONTENTS

VIII. JURISDICTION DIFFERENCES

§ 10:47 Jurisdiction Differences

IX. CASE STUDIES

§ 10:48 Married, With Minor Children

§ 10:49 Married, With Adult Children

§ 10:50 Establishing a Formal Trust for a Child

§ 10:51 Leaving a Vacation Property to a Child

CHAPTER 11. GRANDCHILDREN

§ 11:1 Introduction

§ 11:2 Financial Planning—Giving or Lending Money to a Grandchild

§ 11:3 —Registered Education Savings Plans

§ 11:4 Tax Planning

§ 11:5 Family Law Issues

§ 11:6 Disability Planning

§ 11:7 Estate Planning—Review Your Estate Plan

§ 11:8 —Leaving Money to Grandchildren in a Will

§ 11:9 Insurance Planning

§ 11:10 Jurisdiction Differences

§ 11:11 Case Studies—Leaving Money to a Grandchild in a Will

CHAPTER 12. PERSONS WITH A DISABILITY

I. INTRODUCTION

§ 12:1 Overview

II. FINANCIAL PLANNING

§ 12:2 Social Assistance Payments

§ 12:3 CPP Disability Benefits

§ 12:4 Registered Disability Savings Plans

§ 12:5 RESPs for Students with a Disability

§ 12:6 Study Grants for Students with a Disability

§ 12:7 Lifelong Learning Plan

§ 12:8 Home Buyer's Plan

§ 12:9 Family Caregiver Benefit

III. TAX PLANNING

§ 12:10 Introduction

WEALTH PLANNING STRATEGIES FOR CANADIANS

- § 12:11 Disability Tax Credit
- § 12:12 —Disability Tax Credit Certificate
- § 12:13 —Basic Activities of Daily Living
- § 12:14 —Qualified Practitioners
- § 12:15 —Ask for a Review if Your Claim is Denied
- § 12:16 —Transfer Unused Credits to a Supporting Person
- § 12:17 —Attendant Care Costs
- § 12:18 —Additional Amount for Children
- § 12:19 Wholly Dependent Person Credit
- § 12:20 Canada Caregiver Credit
- § 12:21 Medical Expense Credit—Claiming the Medical Expense Credit
- § 12:22 —What Qualifies as a Medical Expense
- § 12:23 —Home Construction and Renovations
- § 12:24 —Travel and Meal Expenses
- § 12:25 —Disability Tax Credit
- § 12:26 —Tuition Fees
- § 12:27 Refundable Medical Expense Supplement
- § 12:28 Disability Supports Deduction
- § 12:29 Child Care Expense Deduction
- § 12:30 Child Disability Benefit
- § 12:31 File a Tax Return
- § 12:32 File a T1 Adjustment
- § 12:33 Home Accessibility Tax Credit
- § 12:34 Multigenerational Home Renovation Tax Credit

IV. ESTATE PLANNING

- § 12:35 Introduction
- § 12:36 Henson Trusts
- § 12:37 Qualified Disability Trusts
- § 12:38 Designating a Child with a Disability as a Direct Beneficiary on an RRSP

V. INSURANCE PLANNING

- § 12:39 Overview

VI. JURISDICTION DIFFERENCES

- § 12:40 Alberta
- § 12:41 British Columbia
- § 12:42 Manitoba
- § 12:43 New Brunswick
- § 12:44 Newfoundland
- § 12:45 Northwest Territories

TABLE OF CONTENTS

- § 12:46 Nova Scotia
- § 12:47 Nunavut
- § 12:48 Ontario
- § 12:49 Prince Edward Island
- § 12:50 Quebec—Quebec Pension Plan
- § 12:51 —Social Assistance
- § 12:52 —Medical Expenses
- § 12:53 Saskatchewan
- § 12:54 Yukon

VII. CASE STUDY

- § 12:55 Child with a Disability, Henson Trust

CHAPTER 13. ELDERLY PARENTS

I. INTRODUCTION

- § 13:1 Overview

II. FINANCIAL PLANNING

- § 13:2 Overview

III. TAX PLANNING

- § 13:3 Introduction
- § 13:4 Wholly Dependent Person Credit
- § 13:5 Canada Caregiver Credit
- § 13:6 Disability Tax Credit
- § 13:7 Nursing Care Costs
- § 13:8 Home Accessibility Tax Credit
- § 13:9 Multigenerational Home Renovation Tax Credit

IV. FAMILY LAW ISSUES

- § 13:10 Overview

V. DISABILITY PLANNING

- § 13:11 Powers of Attorney
- § 13:12 Health Care Directives and Living Wills
- § 13:13 Long-Term Care Insurance
- § 13:14 Critical Illness Insurance

VI. ESTATE PLANNING

- § 13:15 Introduction

- § 13:16 Tax Effective Inheritances
- § 13:17 Protecting Inheritances from Family Property Claims
- § 13:18 Funeral Arrangements
- § 13:19 Dependants' Relief Claims by a Parent
- § 13:20 Compensation for Providing Personal Care to a Parent

VII. INSURANCE PLANNING

- § 13:21 Overview

VIII. JURISDICTION DIFFERENCES

- § 13:22 Alberta
- § 13:23 British Columbia
- § 13:24 Manitoba
- § 13:25 New Brunswick
- § 13:26 Newfoundland
- § 13:27 Northwest Territories
- § 13:28 Nova Scotia
- § 13:29 Nunavut
- § 13:30 Ontario
- § 13:31 Prince Edward Island
- § 13:32 Quebec
- § 13:33 Saskatchewan
- § 13:34 Yukon

IX. CASE STUDY

- § 13:35 Elderly Parents with Adult Children

CHAPTER 14. SENIORS AND RETIREES

I. INTRODUCTION

- § 14:1 Overview

II. FINANCIAL PLANNING

- § 14:2 CPP Benefits—When to Start Receiving CPP
- § 14:3 —Child-Rearing Dropout Provision
- § 14:4 Old Age Security and Guaranteed Income Supplement
- § 14:5 Nursing Care Costs
- § 14:6 Pharmaceutical Expenses
- § 14:7 Locked-In Retirement Plans

TABLE OF CONTENTS

§ 14:8 Charitable Gifts

III. TAX PLANNING

- § 14:9 Reducing Your Net Income
- § 14:10 —Tax-Free Savings Accounts
- § 14:11 —T-Class Mutual Funds
- § 14:12 —Income Splitting
- § 14:13 —Invest in Capital Gains Producing Assets
- § 14:14 —Minimize Dividend Income
- § 14:15 —Minimize Withdrawals from Registered Assets
- § 14:16 —Maximize Tax Deductions
- § 14:17 —Annuities and GMWBs
- § 14:18 —Permanent Life Insurance
- § 14:19 —Holding Corporations
- § 14:20 —Timing Receipt of Income
- § 14:21 —Transferring Assets to a Trust
- § 14:22 Pension Income Credit
- § 14:23 Medical Expense Credit
- § 14:24 Disability Tax Credit
- § 14:25 Home Accessibility Tax Credit
- § 14:26 Multigenerational Home Renovation Tax Credit

IV. DISABILITY AND ESTATE PLANNING

- § 14:27 Disability Planning
- § 14:28 Estate Planning

V. INSURANCE PLANNING

- § 14:29 Introduction
- § 14:30 Medical Insurance
- § 14:31 Life Insurance for Tax Liabilities
- § 14:32 Long-Term Care Insurance
- § 14:33 Critical Illness Insurance

VI. JURISDICTION DIFFERENCES

- § 14:34 Alberta
- § 14:35 British Columbia
- § 14:36 Manitoba
- § 14:37 New Brunswick
- § 14:38 Newfoundland
- § 14:39 Northwest Territories
- § 14:40 Nova Scotia
- § 14:41 Nunavut

- § 14:42 Ontario
- § 14:43 Prince Edward Island
- § 14:44 Quebec
- § 14:45 Saskatchewan
- § 14:46 Yukon

CHAPTER 15. VACATION PROPERTIES

I. INTRODUCTION

- § 15:1 Introduction
- § 15:2 Tax Planning
- § 15:3 —Proceeds of Disposition
- § 15:4 —Cost
- § 15:5 —Principal Residence Exemption
- § 15:6 —Transferring the Property to a Family Member
- § 15:7 Estate Planning
- § 15:8 —Capital Gains Tax
- § 15:9 —Choosing a Beneficiary
- § 15:10 —Joint Ownership
- § 15:11 —Owning Property in Foreign Jurisdictions
- § 15:12 The Underused Housing Tax
- § 15:13 Jurisdiction Differences
- § 15:14 Case Studies—Transfer of Property to a Child
- § 15:15 —Calculation of the Principal Residence Exemption
- § 15:16 —Equalizing an Estate for Children

CHAPTER 16. BUSINESS OWNERS

I. INTRODUCTION

- § 16:1 Overview

II. FINANCIAL PLANNING

- § 16:2 Introduction
- § 16:3 Payment of Salary vs. Dividends
- § 16:4 Creditor Protection
- § 16:5 Retirement Savings and IPPs
- § 16:6 Retirement Compensation Arrangements
- § 16:7 Cash Damming

III. TAX PLANNING

- § 16:8 Introduction

TABLE OF CONTENTS

- § 16:9 Incorporation
- § 16:10 Income Splitting with Family Members
- § 16:11 Sale of a Business
- § 16:12 Lifetime Capital Gains Exemption
- § 16:13 Alternative Minimum Tax (“AMT”)
- § 16:14 The Small Business Deduction and Passive Income
- § 16:15 Charitable Contributions

IV. FAMILY LAW ISSUES

- § 16:16 Overview

V. DISABILITY PLANNING

- § 16:17 Introduction
- § 16:18 Powers of Attorney
- § 16:19 Disability Insurance
- § 16:20 Partnership or Shareholders’ Agreements

VI. ESTATE PLANNING

- § 16:21 Introduction
- § 16:22 Personal Planning
- § 16:23 Will Planning
- § 16:24 Choosing a Personal Representative
- § 16:25 Probate Planning
- § 16:26 \$10,000 Tax-Free Death Benefit
- § 16:27 Business Succession Planning
- § 16:28 Transfer or Sale of the Business
- § 16:29 Estate Freezes
- § 16:30 Shareholders’ and Partnership Agreements

VII. INSURANCE PLANNING

- § 16:31 Introduction
- § 16:32 Amount of Insurance Required
- § 16:33 Structuring the Insurance Policy

VIII. JURISDICTION DIFFERENCES

- § 16:34 Overview

IX. CASE STUDY

- § 16:35 Estate Freeze

PART III. REFERENCE CHAPTERS

CHAPTER 17. FAMILY PROPERTY

I. INTRODUCTION

§ 17:1 Overview

II. DIVIDING FAMILY PROPERTY

§ 17:2 Introduction

§ 17:3 Which Assets Are Shareable upon Separation or Divorce?

§ 17:4 Family Home

§ 17:5 Canada Pension Plan

§ 17:6 Limitation Periods

§ 17:7 Claims Against an Estate

§ 17:8 Unequal Division of Assets

§ 17:9 Indian Reserve Lands

III. STRATEGIES FOR PRESERVING FAMILY ASSETS

§ 17:10 Introduction

§ 17:11 Assets Acquired Prior to the Time of the Relationship or Marriage

§ 17:12 Gifts, Inheritances and Loans from Family Members

§ 17:13 Business Assets

§ 17:14 Jointly Held Assets

§ 17:15 Domestic Contracts

IV. SPOUSAL AND CHILD SUPPORT

§ 17:16 Overview

V. JURISDICTION DIFFERENCES

A. ALBERTA

§ 17:17 Assets that Are Shareable and/or Exempt

§ 17:18 Common-Law Couples

B. BRITISH COLUMBIA

§ 17:19 Assets that Are Shareable and/or Exempt

§ 17:20 Common-Law Couples

TABLE OF CONTENTS

C.	MANITOBA
§ 17:21	Assets that Are Shareable and/or Exempt
§ 17:22	Common-Law Couples
D.	NEW BRUNSWICK
§ 17:23	Assets that Are Shareable and/or Exempt
§ 17:24	Common-Law Couples
E.	NEWFOUNDLAND
§ 17:25	Assets that Are Shareable and/or Exempt
§ 17:26	Common-Law Couples
F.	NORTHWEST TERRITORIES
§ 17:27	Assets that Are Shareable and/or Exempt
§ 17:28	Common-Law Couples
G.	NOVA SCOTIA
§ 17:29	Assets that Are Shareable and/or Exempt
§ 17:30	Common-Law Couples
H.	NUNAVUT
§ 17:31	Overall
I.	ONTARIO
§ 17:32	Assets that Are Shareable and/or Exempt
§ 17:33	Common-Law Couples
J.	PRINCE EDWARD ISLAND
§ 17:34	Assets that Are Shareable and/or Exempt
§ 17:35	Common-Law Couples
K.	QUEBEC
§ 17:36	Assets that Are Shareable and/or Exempt
§ 17:37	De Facto, Civil Union and Parental Union Spouses
L.	SASKATCHEWAN
§ 17:38	Assets that Are Shareable and/or Exempt
§ 17:39	Common-Law Couples
M.	YUKON
§ 17:40	Assets that Are Shareable and/or Exempt

§ 17:41 Common-Law Couples

VI. CASE STUDIES

§ 17:42 Case Studies

CHAPTER 18. POWERS OF ATTORNEY

I. INTRODUCTION

§ 18:1 Overview

II. POWERS OF ATTORNEY FOR FINANCES

§ 18:2 Introduction

§ 18:3 Why Do I Need a Power of Attorney for Finances?

§ 18:4 Factors to Consider When Appointing an Attorney

§ 18:5 What Type of Document Do I Need?—Standardized Forms

§ 18:6 —Enduring Powers of Attorney

§ 18:7 —Springing Powers of Attorney

§ 18:8 —Health Care Decisions

§ 18:9 Are There Any Limits on What an Attorney Can Do?

§ 18:10 Impact of Marriage, Separation and Divorce

§ 18:11 What If I Have Property in More than One Jurisdiction?

§ 18:12 Status Indians

III. POWERS OF ATTORNEY FOR HEALTH CARE

§ 18:13 Overview

IV. ALTERNATIVES TO A POWER OF ATTORNEY

§ 18:14 Overview

V. JURISDICTION DIFFERENCES

A. ALBERTA

§ 18:15 Finances

§ 18:16 Health Care Decisions

B. BRITISH COLUMBIA

§ 18:17 Finances

§ 18:18 Health Care Decisions

TABLE OF CONTENTS

C. MANITOBA

- § 18:19 Finances
- § 18:20 Health Care Decisions

D. NEW BRUNSWICK

- § 18:21 Finances
- § 18:22 Health Care Decisions

E. NEWFOUNDLAND

- § 18:23 Finances
- § 18:24 Health Care Decisions

F. NORTHWEST TERRITORIES

- § 18:25 Finances
- § 18:26 Health Care Decisions

G. NOVA SCOTIA

- § 18:27 Finances
- § 18:28 Health Care Decisions

H. NUNAVUT

- § 18:29 Finances
- § 18:30 Health Care Decisions

I. ONTARIO

- § 18:31 Finances
- § 18:32 Health Care Decisions

J. PRINCE EDWARD ISLAND

- § 18:33 Finances
- § 18:34 Health Care Decisions

K. QUEBEC

- § 18:35 Finances
- § 18:36 Health Care Decisions

L. SASKATCHEWAN

- § 18:37 Finances
- § 18:38 Health Care Decisions

M. YUKON

- § 18:39 Finances
- § 18:40 Health Care Decisions

CHAPTER 19. ESTATES

I. INTRODUCTION

- § 19:1 Overview

II. WHAT IS THE PURPOSE OF A WILL?

- § 19:2 Introduction
- § 19:3 Control the Distribution of Your Estate
- § 19:4 Choose a Guardian to Care for Your Children
- § 19:5 Choose Your Personal Representative
- § 19:6 Give Personal Representatives Necessary Powers
- § 19:7 Protect Inheritances from Family Property Claims
- § 19:8 Tax Planning Strategies

III. THINGS TO KEEP IN MIND WHEN WRITING A WILL

- § 19:9 Use a Professional
- § 19:10 Limitations on Testamentary Freedom
- § 19:11 Family Property Legislation
- § 19:12 Dependants' Relief and Wills Variation Legislation
- § 19:13 Pensions
- § 19:14 Gifts Contrary to Public Policy
- § 19:15 Personal Effects
- § 19:16 Specific Gifts
- § 19:17 Foreign Property
- § 19:18 Common Disasters
- § 19:19 Legal Terms

IV. PROPERTY THAT PASSES OUTSIDE OF YOUR ESTATE

- § 19:20 Overview

V. WHAT HAPPENS IF I DIE WITHOUT A WILL?

- § 19:21 Introduction
- § 19:22 Different Rules in Different Jurisdictions
- § 19:23 Rules May Change in the Future
- § 19:24 Property May Be Subject to More than One Set of Rules

TABLE OF CONTENTS

- § 19:25 Property May Pass Directly to Children
- § 19:26 Intestacy Does Not Consider Personal Circumstances

VI. STATUS INDIANS

- § 19:27 Overview

VII. JURISDICTION DIFFERENCES

A. ALBERTA

- § 19:28 Dying Without a Will
- § 19:29 Common Disasters
- § 19:30 Family Property
- § 19:31 Dependant's Relief Applications

B. BRITISH COLUMBIA

- § 19:32 Dying Without a Will
- § 19:33 Common Disasters
- § 19:34 Family Property
- § 19:35 Dependant's Relief Applications

C. MANITOBA

- § 19:36 Dying Without a Will
- § 19:37 Common Disasters
- § 19:38 Family Property
- § 19:39 Dependant's Relief Applications

D. NEW BRUNSWICK

- § 19:40 Dying Without a Will
- § 19:41 Common Disasters
- § 19:42 Family Property
- § 19:43 Dependant's Relief Applications

E. NEWFOUNDLAND

- § 19:44 Dying Without a Will
- § 19:45 Common Disasters
- § 19:46 Family Property
- § 19:47 Dependant's Relief Applications

F. NORTHWEST TERRITORIES

- § 19:48 Dying Without a Will

- § 19:49 Common Disasters
- § 19:50 Family Property
- § 19:51 Dependant's Relief Applications

G. NOVA SCOTIA

- § 19:52 Dying Without a Will
- § 19:53 Common Disasters
- § 19:54 Family Property
- § 19:55 Dependant's Relief Applications

H. NUNAVUT

- § 19:56 Overall

I. ONTARIO

- § 19:57 Dying Without a Will
- § 19:58 Common Disasters
- § 19:59 Family Property
- § 19:60 Dependant's Relief Applications

J. PRINCE EDWARD ISLAND

- § 19:61 Dying Without a Will
- § 19:62 Common Disasters
- § 19:63 Family Property
- § 19:64 Dependant's Relief Applications

K. QUEBEC

- § 19:65 Dying Without a Will
- § 19:66 Common Disasters
- § 19:67 Family Property
- § 19:68 Dependant's Relief Applications

L. SASKATCHEWAN

- § 19:69 Dying Without a Will
- § 19:70 Common Disasters
- § 19:71 Family Property
- § 19:72 Dependant's Relief Applications

M. YUKON

- § 19:73 Dying Without a Will
- § 19:74 Common Disasters
- § 19:75 Family Property

TABLE OF CONTENTS

§ 19:76 Dependant's Relief Applications

CHAPTER 20. PERSONAL REPRESENTATIVES

- § 20:1 Introduction
- § 20:2 Choosing a Personal Representative
- § 20:3 The Importance of Canadian Residency
- § 20:4 Conflicts of Interest
- § 20:5 Family Dynamics
- § 20:6 What Happens in the Case of Separation or Divorce?
- § 20:7 What Happens if no Personal Representative is Appointed?
- § 20:8 Fees
- § 20:9 How You Can Make Their Job Easier
- § 20:10 Jurisdiction Differences

CHAPTER 21. TAXATION AT DEATH

I. INTRODUCTION

§ 21:1 Overview

II. CALCULATING INCOME TAX AT THE TIME OF DEATH

§ 21:2 Overview

III. HOW TO MINIMIZE TAX PAYABLE AT THE TIME OF DEATH

- § 21:3 Introduction
- § 21:4 Spousal Rollover
- § 21:5 Graduated Rate Estates
- § 21:6 Tax Deferrals for RRSPs and RRIFs
- § 21:7 Principal Residence Exemption
- § 21:8 Using Capital Losses
- § 21:9 Carryback of Losses Incurred by the Estate
- § 21:10 Lifetime Capital Gains Exemption
- § 21:11 Rollover of Farming or Fishing Property to a Child or Grandchild
- § 21:12 Filing Separate Tax Returns
- § 21:13 \$10,000 Tax-Free Death Benefit
- § 21:14 Charitable Contributions
- § 21:15 Shares of Private Companies

§ 21:16 Spousal RRSP Contributions

IV. TAX PLANNING STRATEGIES PRIOR TO THE TIME OF DEATH

- § 21:17 Introduction
- § 21:18 Charitable Giving
- § 21:19 \$10,000 Tax-Free Death Benefit
- § 21:20 Estate Freezes
- § 21:21 Testamentary Trusts
- § 21:22 Joint Ownership

V. PLANNING FOR THE TAX

§ 21:23 Overview

VI. JURISDICTION DIFFERENCES

§ 21:24 Overview

VII. CASE STUDIES

- § 21:25 Taxation at Death — Individual
- § 21:26 Taxation at Death — Married Person
- § 21:27 Principal Residence Exemption

CHAPTER 22. PROBATE

I. INTRODUCTION

§ 22:1 Overview

II. THE PROBATE PROCESS AND FEES

- § 22:2 The Probate Process
- § 22:3 Probate Fees

III. PROBATE PLANNING

- § 22:4 Introduction
- § 22:5 Adding a Joint Owner
- § 22:6 —Triggering Capital Gains Tax
- § 22:7 —Loss of Control
- § 22:8 —Unintentional Unequal Treatment of Beneficiaries
- § 22:9 —Exposure to Family Law Claims
- § 22:10 —Tax Liability for Estate
- § 22:11 —Lost Opportunities to Use a Trust

TABLE OF CONTENTS

- § 22:12 —Disinheriting Children if Part of a Blended Family
- § 22:13 —Family Property Implications
- § 22:14 —Creditor Exposure
- § 22:15 —Joint Ownership with a Resident of Quebec
- § 22:16 —Potential Requirement to File a Tax Return
- § 22:17 Gifting Property
- § 22:18 Selling an Asset for Less than Fair Market Value
- § 22:19 Selling an Asset for More than Fair Market Value
- § 22:20 Transferring Assets into a Trust
- § 22:21 —Alter Ego Trusts
- § 22:22 —Joint Partner Trusts
- § 22:23 Designating a Direct Beneficiary
- § 22:24 Insurance Trusts
- § 22:25 Reducing the Net Value of an Estate
- § 22:26 Multiple Wills
- § 22:27 Proper Will Drafting
- § 22:28 Permanent Life Insurance

IV. JURISDICTION DIFFERENCES

- § 22:29 Alberta
- § 22:30 British Columbia
- § 22:31 Manitoba
- § 22:32 New Brunswick
- § 22:33 Newfoundland
- § 22:34 Northwest Territories
- § 22:35 Nova Scotia
- § 22:36 Nunavut
- § 22:37 Ontario
- § 22:38 Prince Edward Island
- § 22:39 Quebec
- § 22:40 Saskatchewan
- § 22:41 Yukon

V. CASE STUDIES

- § 22:42 Adding a Joint Owner
- § 22:43 Gifting a Property
- § 22:44 Selling a Property for Less Than Fair Market Value
- § 22:45 Selling a Property for More Than Fair Market Value
- § 22:46 Designating a Direct Beneficiary

CHAPTER 23. TRUSTS

I. INTRODUCTION

- § 23:1 Introduction
- § 23:2 What is a Trust?

II. TAXATION OF A TRUST

- § 23:3 Taxation of Trust Income
- § 23:4 Attribution of Trust Income
- § 23:5 Deemed Dispositions of Capital
- § 23:6 Filing Requirements

III. INFORMAL TRUSTS

- § 23:7 Overview

IV. STRUCTURING A TRUST

- § 23:8 Introduction
- § 23:9 Trustees
- § 23:10 Trustee Powers
- § 23:11 Beneficiaries
- § 23:12 Settlor

V. WEALTH PLANNING USING TRUSTS

- § 23:13 Introduction
- § 23:14 *Inter Vivos* Trusts
- § 23:15 Testamentary Trusts
- § 23:16 Insurance Trusts
- § 23:17 Henson Trusts
- § 23:18 Qualified Disability Trusts
- § 23:19 Spouse Trusts
- § 23:20 Family Trusts
- § 23:21 Age 40 Trusts
- § 23:22 *Alter Ego* and Joint Partner Trusts
- § 23:23 Charitable Remainder Trusts

VI. JURISDICTION DIFFERENCES

- § 23:24 Alberta
- § 23:25 British Columbia
- § 23:26 Manitoba
- § 23:27 New Brunswick
- § 23:28 Newfoundland

TABLE OF CONTENTS

- § 23:29 Northwest Territories
- § 23:30 Nova Scotia
- § 23:31 Nunavut
- § 23:32 Ontario
- § 23:33 Prince Edward Island
- § 23:34 Quebec
- § 23:35 Saskatchewan
- § 23:36 Yukon

VII. CASE STUDIES

- § 23:37 Overview

CHAPTER 24. CHARITABLE GIVING

I. INTRODUCTION

- § 24:1 Overview

II. INCOME TAX IMPLICATIONS

- § 24:2 Charitable Donation Tax Credit
- § 24:3 Gift Could Trigger Capital Gains
- § 24:4 Impact on Old Age Security

III. PLANNED GIVING STRATEGIES

- § 24:5 Introduction
- § 24:6 Maximizing Amounts Eligible for Higher Tax Credit Rates
- § 24:7 Use the Donation in the Optimal Tax Year
- § 24:8 Donating Capital Property—Potential to Increase Annual Donation Limit
- § 24:9 —Gifts of Publicly Traded Securities and Mutual Funds
- § 24:10 —Gifts of Employee Stock Options
- § 24:11 —Gifts of Canadian Cultural Property and Ecologically Sensitive Land
- § 24:12 Donor Advised Funds
- § 24:13 Making a Gift in Your Will
- § 24:14 Direct Beneficiary Designations
- § 24:15 Annuities
- § 24:16 Charitable Remainder Trusts
- § 24:17 Corporate Contributions

IV. PLANNED GIVING USING INSURANCE

- § 24:18 Introduction

- § 24:19 Designating a Charity as Beneficiary
- § 24:20 Distributing the Insurance Proceeds Through Your Will
- § 24:21 Purchasing an Insurance Policy
- § 24:22 Buying an Insurance Policy Through Your Corporation
- § 24:23 Other Insurance Strategies

V. STRUCTURING THE GIFT

- § 24:24 Introduction
- § 24:25 The Alternative Minimum Tax and Charitable Donations

VI. JURISDICTION DIFFERENCES

- § 24:26 Quebec

VII. CASE STUDIES

- § 24:27 Insured Annuity
- § 24:28 Using Insurance to Fund a Charitable Gift

CHAPTER 25. INSURANCE

I. INTRODUCTION

- § 25:1 Introduction

II. LIVING BENEFITS

- § 25:2 Disability Insurance
- § 25:3 Critical Illness Insurance
- § 25:4 Long-Term Care Insurance

III. LIFE INSURANCE

- § 25:5 Introduction
- § 25:6 General Considerations
- § 25:7 Term Insurance
- § 25:8 Permanent Insurance
- § 25:9 —Term to 100 Insurance
- § 25:10 —Whole Life Insurance
- § 25:11 —Universal Life Insurance

IV. PERSONAL INSURANCE VS. GROUP OR MORTGAGE INSURANCE

- § 25:12 Introduction

TABLE OF CONTENTS

- § 25:13 Group Policies
- § 25:14 Mortgage Insurance

V. JURISDICTION DIFFERENCES

- § 25:15 Alberta
- § 25:16 British Columbia
- § 25:17 Manitoba
- § 25:18 New Brunswick
- § 25:19 Newfoundland
- § 25:20 Northwest Territories
- § 25:21 Nova Scotia
- § 25:22 Nunavut
- § 25:23 Ontario
- § 25:24 Prince Edward Island
- § 25:25 Quebec
- § 25:26 Saskatchewan
- § 25:27 Yukon

Index