



Financial Independence Hub

North America's Gateway to  
Financial Independence

# Estate Planning For Couples: You Can't Take It With You



Posted By [Marie Engen](#) | [February 13, 2017](#)



According to an Ipsos Reid poll commissioned by the CIBC, only 30% of Canadians have a formal estate plan in place. The reasons for not having one vary – some people think they are too young, or don't have enough assets. Some believe that their belongings will automatically go to their spouse. Many couples think they have lots of time, and some just don't want to deal with it.

Everyone needs to plan for the inevitable.

Estate planning is for your loved ones and for your own peace of mind. It means arranging how you leave your money and property when you die and it must follow the laws of the province you live in (or where the property exists).

Estate planning involves:

- writing your will and naming someone to be responsible for carrying out your wishes
- distributing assets during your lifetime as well as upon your death
- arranging insurance to cover costs and provide for your survivors
- specifying who will handle your affairs if you become unable to manage them yourself, and giving them direction through a power of attorney and medical directive.

### **Estate planning for young families**

When you are raising a family, and are just starting to accumulate assets, consider these steps:

- Draw up a list of all your assets and liabilities as well as your current – and projected – income and expenses.
- Assess your life and [disability insurance](#) protection to make sure it is adequate for all your needs.
- Decide on how you would like your assets to be distributed in the event of your death.
- Select [an executor of your will](#).
- Choose a guardian for your young children.
- Consult a lawyer experienced in estate planning.

### **Estate planning for a more mature family**

Once your children have reached the age of majority, your priorities will be changing. The issue of guardianship is not as imperative, but you may still be paying for their education and they may or may not need your financial support. You are probably in your peak earning years, or have already retired, and have accumulated considerable assets.

- Review your will. You want to balance the needs of your spouse with the desire to leave something to your children or grandchildren.
- Revisit your [beneficiary designations](#) on investment plans such as RRSPs/RRIFs and TFSAs, and life insurance policies to ensure these designations don't conflict with your will. Keeping them up-to-date is the easiest way to ensure a smooth transition of those assets.
- Re-assess your professional advisers – lawyer, tax accountant, investment adviser, financial planner. You may need more skilled advisors or additional ones. If your wealth, legal, tax and other advisers only have a relationship with you, consider an informal meet-and-greet with your spouse and (possibly) other family members.
- Re-assess your executor to ensure he or she is able to fulfill their obligations. If your financial situation has become more complex, consider the benefits of having a trust company as a co-executor and/or co-trustee.
- Consider setting up a trust if circumstances warrant. If you have already included a testamentary trust in your estate plan for tax reasons, you may need to revisit your plan. In 2016, tax rules changed and you need to be aware of any implications. Your current plan may no longer meet your goals.

- The size of your estate could have considerable tax consequences. Be sure to obtain professional advice in order to arrange your assets to minimize those taxes.
- Professional advice can help you choose the best possible options.

### **Special Circumstances**

You may be separated, divorced, remarried, or living common-law, or have [children from a previous relationship](#). These situations present other legal and estate planning implications.

Get expert advice to be sure your intentions are clear and will be carried out according to your wishes and not liable to be contested.

### **Final thoughts**

A valid will is a legal document and is the cornerstone of your plan. It allows you to designate the people or organizations you want to receive your property. It gives you the opportunity to specify who you would like to care for your minor children. Even if you don't have a lot of assets it's still important to have a plan.

One of the biggest mistakes is to believe that all will be taken care of by those who survive you.

If you don't have a will, the courts and social service agencies will determine who will raise your children and provincial law determines how your property will be distributed through a probate process. This process can be costly, time-consuming and incredibly frustrating.

To draw up a will you can see a lawyer or [create one yourself](#) with a high-quality will-preparation software program (it would be a good idea to have a lawyer review it).

Update your will and [power of attorney](#) whenever your personal situation changes – marriage, children, divorce, death, a move to another province or country, or if you want to change your beneficiaries, guardian or executor.