

# ESTATE PLANNING AND WILLS

Ensuring the orderly and appropriate distribution of assets

**VIRTUALLY EVERY CANADIAN HAS AN ESTATE MADE UP OF EVERYTHING** they own. Some are extremely large and valuable; others are more modest and may be little more than personal possessions and some savings.

But regardless of the size, having a plan that sets out what should happen to your estate when you pass on means surviving family members have a clear picture of your final wishes and aren't left wondering what to do with your assets or how to take care of people you may have been responsible for.

An estate plan is more than a last will and testament, although it would typically include a will and perhaps a financial plan as well, according to professional estate planners.

Rachel Blumenfeld, a partner with the Toronto law firm Aird & Berlis, advises clients on estates, tax and succession planning matters. She says an estate plan is a 'big picture' that typically includes a will, powers of attorney, and financial and retirement planning.

"An estate plan sets out what you are trying to achieve, which should be preserving assets during your lifetime, making sure they get transferred to beneficiaries in an orderly and tax-efficient manner, whether it's during your lifetime or on your death, and to ensure the continued preservation of assets in the hands of beneficiaries," she says.

An estate plan can also avoid complications if you leave behind minor children or have had a second marriage, adds Ms. Blumenfeld.

"What we are starting to see more and more is married couples separating and not divorcing, but then getting into relationships with other people. Then, even if you have only a few assets, not having an estate plan leaves your remaining family very exposed," she says.

Ms. Blumenfeld also points out that estate planning is not only meant to leave your affairs in order when you pass on, but also has an important role to play if you become incapacitated or disabled.

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**Rachel Blumenfeld**  
partner, Aird & Berlis



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**Chris Ireland**  
senior vice-president, planning services, PPI Advisory



Estate planning should begin as early as possible and the plan should be regularly reviewed and updated. [ISTOCK.COM](#)

"An estate plan should include a power of attorney, which allows you to choose who is going to be the decision maker for you if you can't make decisions yourself," she says.

Chris Ireland, senior vice-president, planning services at PPI Advisory in Vancouver, says while estate planning is usually seen in the context of an orderly and appropriate distribution of assets when you pass away, it can have a wider application as well.

"Estate planning should include managing your assets and working with other family members to do so, and possibly distributing some of your assets while you are still living," he says.

Mr. Ireland agrees that estate planning is important regardless of the size of a person's estate. Having a will alone may not be enough in

some circumstances.

"For example, you may have a disabled child or spouse and want to make sure they are provided for while you are alive, perhaps through a trust, which would be part of your estate plan," he adds.

Mr. Ireland believes estate planning should begin as early as possible and recommends that the plan be reviewed and updated if necessary whenever there is a major life event such as marriage, divorce or the birth of a child.

Ms. Blumenfeld agrees.

"We generally see people getting concerned about estate planning when their life changes, especially when children come along and parents want to make provision for guardianship for their kids. And again, even if you don't have many

assets, if you are working you may have a pension fund or group life insurance, and you will want to make sure it's going to go to the right place," she says.

Ms. Blumenfeld and Mr. Ireland also agree that choosing an estate planner with appropriate knowledge and education is important. While Ms. Blumenfeld is a lawyer and Mr. Ireland a Chartered Professional Accountant, both are accredited Trust and Estate Practitioners (TEP), a designation awarded by the Society of Trust and Estate Practitioners (STEP).

"You certainly want to deal with someone who has experience in the area and who has credentials," says Mr. Ireland. "The TEP designation is very important because it signifies knowledge and experience in estate planning."

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## PROVIDE FOR PETS BY NAMING A CARETAKER

Research has shown that slightly fewer than half of all Canadians have a last will and testament in place and only 35 per cent have one that's up to date. That means surviving family could be faced not only with the task of trying to guess a loved one's last wishes, but also what to do with pets left behind.

Kevin Greenard, a portfolio manager and director of wealth management with The Greenard Group at Scotia Wealth Management in Victoria, B.C., says a pet is considered property under law and cannot be named as a beneficiary in a will, but it can be left to a named 'caretaker' if a friend or family member is willing to look after it. An additional option is to establish a pet trust to provide money the caretaker can use for the pet's care.

"Many of our clients regard their pet as a family member, but most have not considered what will happen to their pet if they are no longer around to take care of it, so having a contingency plan in place is important," he says.

The best option is to identify someone ahead of time who would be willing to care for your pet if you can no longer do so. If for any reason the caretaker is later unable or unwilling to care for pet, your will could give

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Pets are often considered part of the family, so ensuring they will be looked after after when their owner passes away is an important aspect of estate planning. [ISTOCK.COM](#)

your executor the power to select an appropriate person to take their place.

Calculating how much money should be put into the pet trust could be based on an assessment of the life expectancy of your pet and an

estimate of the annual cost of caring for it, says Mr. Greenard.

"Vets' bills are perhaps the biggest annual cost, particularly if the pet needs specific medical care," he adds. "Some of our clients have pet insur-

ance for which they pay monthly premiums, and these can be budgeted out for future cash flows."

However, each pet has different needs, and costs could differ significantly depending on how much food it needs, grooming costs and medication. Provision could also be made for cremation and burial at the end of the pet's life, says Mr. Greenard.

But what if there's no one who can take care of your pet? It's a problem animal welfare organizations are well aware of, and most offer advice on what to do to avoid an uncertain future for pets who are left behind.

The BC SPCA, for example, has a pet survivor care program for people who pass away or become too incapacitated to care for their pets and have no friend or family member to take over. The BC SPCA will care for and shelter a pet and find them a new home, providing owners with the assurance that their pet's future is safe and secure.

While the BC SPCA urges pet owners to ensure their furry friends are taken care of, it also welcomes bequests from pet lovers whose donations help support the organization's animal welfare work. Gifts can include a range of assets from life insurance policies and publicly listed securities to RRSPs and real estate.

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# A FATHER'S LAST GIFT

A family is comforted by an inspiring gift to impact the lives of children

Monica Boaretto recalls happy childhood memories of her father Piergiorgio (Peter) Boaretto.

"When he came home from work, he would gather the kids and go to the park," she says.

And at family get-togethers, he could often be found sitting at the children's table, enjoying the company of his grandchildren. So, after he passed away and his will was read, no one was surprised he had left a gift to The Hospital for Sick Children (SickKids) in Toronto.

"He was a big kid at heart," says Ms. Boaretto. "But when he set his mind to do something, he went ahead and did it," she says.

An immigrant to Canada, Peter Boaretto was inspired by a teacher in his hometown of Corte, Italy, not to accept the status quo and to explore opportunities farther afield. He immigrated to Canada in the 1960s when he was 21, and after a few years established Superior Machining, a successful full-service machine shop that now works with a range of industries in Canada and around the world and continues to be operated as a family business.

"When we were grieving his passing, knowing about the gift was an

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It was inspiring to know that his gift would have an impact on the lives of children; not just the children of today, but future generations of children. Children are a beautiful reminder of how precious life is and how a gift like our father's can have a positive impact.

Monica Boaretto



Peter Boaretto (fourth from left) with his wife and four children. SUPPLIED

unexpected comfort to us," says Ms. Boaretto.

Later, she and her sister Laura visited SickKids to see first-hand the impact of legacy gifts.

"It was so overwhelming to see the neonatal unit and understand what the hospital does for all children, from those very small babies to older children," she says recalling the international reputation of the

hospital and the scientific breakthroughs that have had a global impact such as the discovery of the cystic fibrosis gene.

"It was inspiring to know that his gift would have an impact on the lives of children; not just the children of today, but future generations of children. Children are a beautiful reminder of how precious life is and how a gift like our father's

can have a positive impact," says Ms. Boaretto.

Noting patients at SickKids come from across Ontario and Canada, and even from around the globe, Ms. Boaretto believes her father understood the impact of SickKids and how far-reaching his gift would be.

"He was a really great man who chose to do such a beautiful thing by leaving a gift to SickKids," she says.

# A PLAN FOR THE FUTURE

Legacy gifts have helped SickKids grow into an international leader in a paediatric health care

The values that guide our lives are as much a part of the legacy we leave behind as any assets – and there are few better ways to demonstrate commitment to those values and share them with loved ones and future generations than through a charitable gift in a will.

Passing on those values is just one reason donors include a legacy gift to SickKids Foundation, but there are many others too, ranging from supporting The Hospital for Sick Children in Toronto where friends or family may have received care, to trusting in an institution that is a rich part of the city's history. But the result is the same: transforming the future of child health.

Planning for the future is as important for individuals and families as it is for charities, says Mark Goldbloom, the Foundation's general counsel and chief risk officer.

"Philanthropy has helped to fund clinical and research work for decades," says Mr. Goldbloom, recalling the 1954 legacy gift from J.P. Bickell that helped create the SickKids Research Institute, Canada's largest hospital-based child health research institute, now housed in the Peter Gilgan Centre for Research and Learning.

Cynthia Kett is a member of the SickKids Professional Advisors Council, a group of leading industry professionals dedicated to advancing philanthropic conversations across Canada and providing strategic insight and guidance to the Foundation. She says the objective of planned philanthropy is to determine which organization you want to support; how much you want to give; when to make the gift; and using the most tax-effective giving strategy, particularly for large gifts.

A principal of Stewart & Kett Financial Advisors, Ms. Kett says there are many estate-planning strategies to simultaneously benefit individuals and the Foundation. Examples include giving gifts of shares with unrealized capital gains, life insurance and, in some circumstances, registered accounts like registered retirement savings plans



SickKids is currently raising funds to rebuild the hospital campus – this will include two additional buildings and renovations to existing clinical facilities. Right, from top: Mark Goldbloom, SickKids Foundation's general counsel and chief risk officer; Cynthia Kett and Steven Albiani, members of the SickKids Professional Advisors Council. SUPPLIED



(RRSPs) and registered retirement income funds (RRIFs).

"Planning will ensure you divide up your estate in a way that makes sense for you. First and foremost, people want to ensure that the next generation of the family will be financially secure, and then they decide on the organizations that will be the recipients of any planned giving," she says.

"There are many ways to give, and it's important to consider the tax implications of each of those strategies."

Parents showing generosity and discussing legacy gifts with their children can also create a multi-generational commitment to philanthropy, she says.

While many people know someone who may have received

treatment at SickKids, for others it's an opportunity to benefit all children and support the Hospital's vision: *Healthier Children. A Better World*, she says.

"Personally, the more I have learned about SickKids, the more impressed I have become. Everyone who works there is so motivated and passionate, and the researchers are looking to make discoveries to

benefit children all over the world. It's wonderful to have such an outstanding world-class facility here in Toronto," says Ms. Kett.

Steven Albiani, managing partner, Stratum Advisory Group, is also a member of the Foundation's Professional Advisors Council.

"SickKids is smart to plan for today and the future with different types of gifts," he says, noting some of these include gifts of securities and life insurance policies where tax credits are given today to individual donors while the Foundation reaps the benefit in the future. On the other hand, corporate donors can benefit from an income deduction.

Taking advantage of the preferential tax treatment for estate donations to offset any taxes owing means individuals who have provided for the next generation of the family are happy to see worthy causes also benefit from their estate, says Mr. Albiani. In the right circumstances, estate donations may also be used by either the estate or the deceased and in different years.

For people who know they will be donating to charity, he advises working with an advisor to actively manage tax planning and life insurance to benefit heirs and organizations like the SickKids Foundation.

"We also do a lot of work with private family foundations where we can gift private company shares to a private family foundation and use insurance to purchase back those shares and create liquidity so money can then be distributed to charitable organizations," says Mr. Albiani.

Mr. Goldbloom advises people who are planning to leave the SickKids Foundation a gift in their will to communicate with the organization.

"It's incredibly helpful for us to plan for the future," he says.

Over the 11 years he has been with the Foundation, Mr. Goldbloom has experienced how valuable it can be if people let the organization know about the gift in advance. Not only does it help the Foundation plan and invest for the future of the Hospital, but it also ensures the gift will be properly fulfilled, including details like correct spelling of the charity's name.

The Foundation takes its responsibilities very seriously, he adds.

"We make sure any gift left to us is used effectively for the purpose it was intended, is properly administered and has a positive impact on children's health," he says.

Another advantage to the person who has left a gift to the Foundation in their will is recognition through a plaque at the Hospital that honours donors during their lifetime, depending on their wishes, through the J.P. Bickell Society.

Mr. Goldbloom says families often visit SickKids to honour their loved ones by viewing the plaque and witnessing first-hand the impact of their generosity.

"It's a very touching way for someone to be remembered," he says.

While planning an estate and drawing up a will, it's important to remember that every gift of any size helps and is appreciated, says Mr. Goldbloom.

"While there are many ways to leave a legacy gift, and many different strategies, we are grateful for every dollar," he adds.

## LEGACY GIFTS HELP SICKKIDS LEAD THE FIGHT FOR CHILD HEALTH



SICKKIDS SEES  
**OVER 150,000 PATIENTS EVERY YEAR**  
FROM ACROSS CANADA AND AROUND THE WORLD



**19 CHILD LIFE SPECIALISTS**  
FOCUS ON THE SOCIAL AND EMOTIONAL IMPACT OF ILLNESS AND HOSPITALIZATION AND EMBRACE THE VALUE OF PLAY FOR PATIENTS AND THEIR FAMILIES.

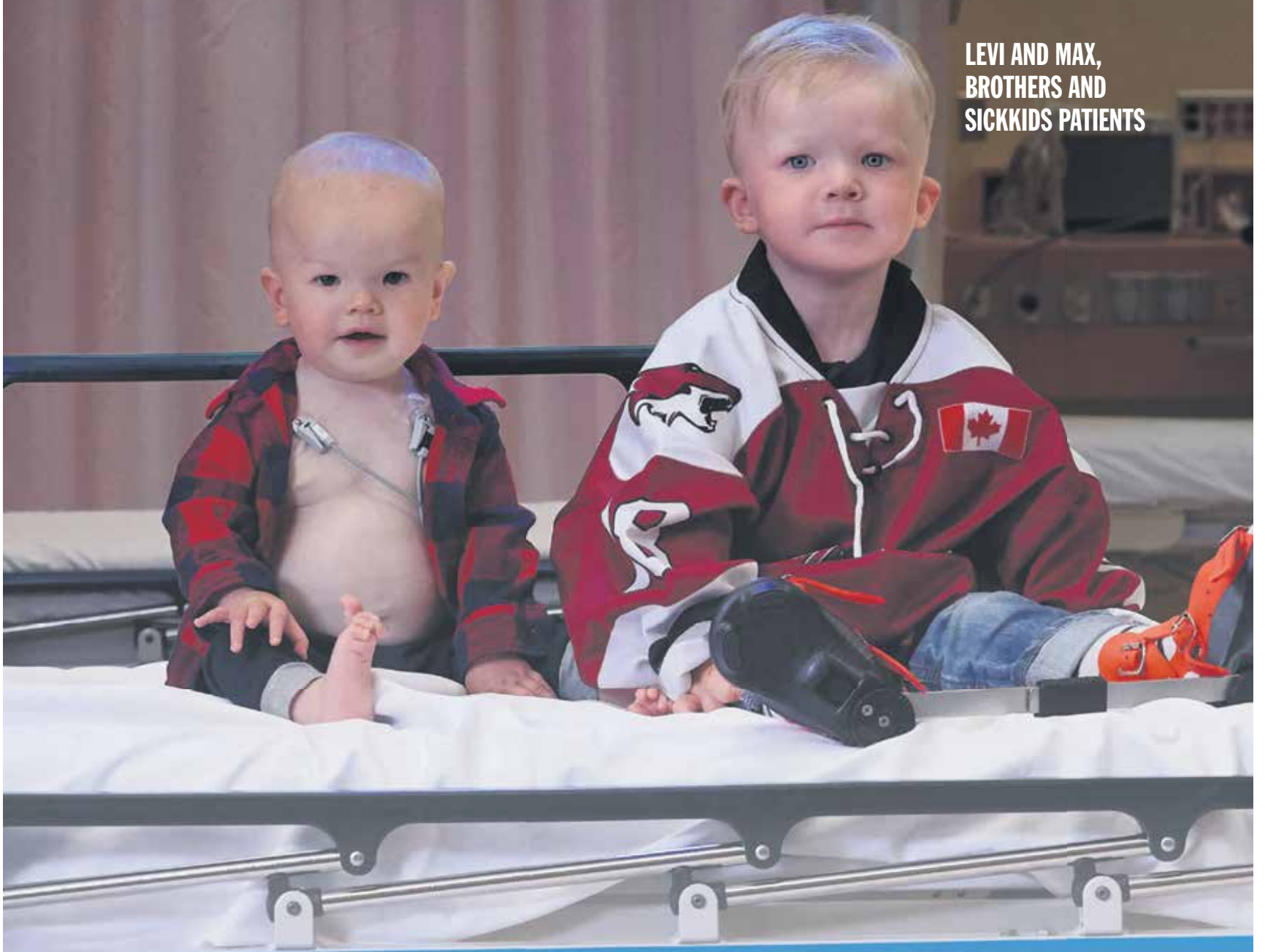
SICKKIDS PERFORMS THE **LARGEST VOLUME OF COMPLEX NEONATAL SURGERIES** IN THE PROVINCE—PARTICULARLY THOSE REQUIRING SUSTAINED LIFE SUPPORT.



**1/3 OF RESEARCH FUNDING AT SICKKIDS IS FROM DONORS,** ALLOWING SCIENTISTS TO PURSUE OUT-OF-THE-BOX IDEAS TO SOLVE THE GREATEST CHALLENGES IN CHILD HEALTH.

# MAKE YOUR LEGACY ONE THAT GROWS.

LEVI AND MAX,  
BROTHERS AND  
SICKKIDS PATIENTS



A gift in your will to SickKids creates a legacy that lasts: a legacy of healthier children. That's why we say it's a legacy that grows. If you want to see more children like SickKids patients Levi and Max treated successfully, please visit [sickkidslegacy.com](http://sickkidslegacy.com) to request your free information kit from SickKids Foundation on wills and creating your legacy. Every gift enhances SickKids ability to deliver exceptional care, treatment, and research - which makes this hospital the best hope for so many of the sickest children and their families. And the best place to create your legacy.

If you need further information, please call 416-813-8271 or email [gift.planning@sickkidsfoundation.com](mailto:gift.planning@sickkidsfoundation.com)

