

Do You Care? Play It Smart!

I am firmly convinced that every Women's Institute Member in the Province should set one day aside to take a look at the present situation of your own personal financial plan, including a will.

This whole idea came about as a result of a Farm Women's meeting sponsored by the OMAF representative Glenn Thompson, Waterloo Region, when Estate and Will Planning Consultants Ross Woolner and Ian Marr both from the head office of Canada Trust Kitchener spoke to the women. Estate planning can be defined as financial security for you and your family during your life time and after death. All too many people are inclined to procrastinate—"to-morrow I'll make my will"—to-morrow never comes!

The first step, sit down with a work-sheet and tabulate all assets. Encourage your husband to tabulate as well. Real estate, investments, furnishings, personal effects, R.R.S.P., pensions, life insurance, mortgages, etc. After completing this first step seek assistance and ask advice from your banker, trust company, lawyer—someone in the estate planning business.

In the farming or small business world everyone works far too hard not to take advantage of every 'tax planning' opportunity available.

Legislation and laws are constantly changing, inflation becomes a concern, situations change, so estate planning must adapt to the changing times and changing legislation.

How do we know or find out about things such as income splitting, juggling of dividends with spouse, gifts to members of the family, forgivable loans, tax shelters? More importantly can we take advantage of any of these? The only way to find out is to talk to someone of authority in the "planning" business.

Is it wise to own the principal residence jointly? If owned only by one spouse it will automatically be passed on to the survivor avoiding capital gains. If the time comes to buy a cottage, then that could become the principal residence of the other spouse.

Taxpayers with 50% marginal tax bracket—consider buying short term discount bonds—there could be a capital gain advantage.

What is the most appropriate method to give 'gifts' to your family or charities?

Remember Valuation Day, 1971, have you a figure for your farm?

You may be able to do some income splitting, if one spouse does not make as much as the other it can be passed on to the lower income earner.

Legal tax shelters, through Registered Retirement Savings Plan, (the interest deferred until a later date); the proper way to transfer Home Owners Savings plan when no tax is involved when purchasing the house.

The well planned use of available tax shelters is not only wise but certainly available to all, that is why it is necessary to discuss estate planning with those whose job it is to keep up with the changes. Because, like life, estate planning is continuous and ever changing.

Through your own personal evaluation on that original work-sheet, you can be in charge of your own affairs and still reap the benefit of the knowledge of consultants. It is to your advantage to ask questions that will guide you to sound decision-making.

Do you have a Will?

The question is often answered, "I don't need one, I have so little". Regardless of how little, the assets should be planned while alive for thoughtful distribution after death.

Everyone needs a will!

Don't put off Will-making. It is ambulatory. It has no effect until death. If and when a situation changes the will can easily be altered. It is important to consistently update your will, probably every five years. Because a will is not necessary during the living years—this probably is another reason for putting off making one. A Will is mainly a plan for distribution of an estate, created by an individual for the benefit of that family.

As a woman, you insist you have so little, a Will is unnecessary. But is this a certainty? Upon the husband's death, or instantaneous death of both, incompetency, an unexpected inheritance, underage children, what happens to the estate if the woman has no will? It's like playing with fire, if the unexpected happens, then it's too late.

Isn't it much better for you to determine what you want your Will to do? You alone know your family needs. You can choose your executors, and what type of plan is best for your family.

An 'Outright Plan' where everything goes to the beneficiary. A 'Trust Plan' where all assets are kept in trust for the spouse's life time and assets eventually go to the children. This method allows for tax deferral and splitting income. There are many more types of plans to suit individual needs. With 52 acts dealing with Wills and Estates in Ontario, along with any number of variations in a Will, is it any wonder that this should be taken seriously and **YOU SHOULD DO SOMETHING ABOUT IT?**

Where there's a Will there's a way. Some questions to ask yourself since making a Will years ago?

What is the current tax and legislation?

Has it changed?

Has your personal situation changed?

Are the current Will-planning techniques used five years ago adequate to-day?

When there is no will and under age children, the government will appoint an official guardian, this can take well beyond a year, in the meantime what happens to your farm? Or a small business? The business literally grinds to a halt, sometimes the whole business can be lost.

Not having a Will can create a great financial loss as well as plenty of heartache.

Isn't it better to have evolved and developed a plan that gives you peace of mind while alive, knowing your loved ones have been provided for the way you really wanted, after death?