

Writing and Updating Your Will



Truvera Trust Corporation

Truvera Trust Corporation (“Truvera”) is an independent British Columbia owned trust company which has been operating since 2005 and has offices in Vancouver and Kelowna. We are incorporated under BC’s Financial Institutions Act and regulated by the Financial Institutions Commission of BC. We specialize in providing clients with financial and estate planning and administration services.

The advisors at Truvera are highly skilled professionals who have years of prior experience in senior partnership and managerial positions with major international accounting firms such as PricewaterhouseCoopers, KPMG and Deloitte, as well as financial institutions and law firms. We’ve advised individual and corporate clients on accounting and tax planning, investment management, insurance products, creditor protection, corporate management practices, mergers and acquisitions, business structures, business succession planning, business valuation, selling a business, dispute resolution, personal financial planning and estate and trust planning and administration.

We provide personal, compassionate assistance as we help you manage financial affairs and we develop customized plans to meet your specific needs. We offer one of the lowest professional fee structures in the province for our services.



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The first building block of your estate plan is the preparation of your Will.

Your estate plan is a fundamental component of your overall personal financial plan which is a living document. This means that it will need periodic adjustments as your circumstances, both personal and financial, go through changes. Your Will is also a living document which should be updated on a regular basis, but a well-constructed Will should not require amendments and adjustments as often as your financial plan. Once you have a Will you can revise or rewrite it at any time. It is critical to develop a well thought out Will that addresses the many changes with which life presents us.

Most people review their Will every few years, or after a change in personal circumstances such as marriage, parenthood, change in marital status, grandchildren and acquisition or sale of major assets, in order to assess whether the instructions in their Will need to be updated. It is also important to consider changes to legislation – in British Columbia a new law called the Wills, Estates and Succession Act changed rules concerning Wills and Estates for deaths occurring after March 31, 2014.

Truvera has put together the following information to help you navigate the Will process and assist you to understand the components of a well-constructed Will.

Our Services

We work with our clients to help structure, review and achieve their personal financial planning, business succession planning, tax planning and will and estate planning goals. We can provide advice in the use of trust arrangements which could enhance financial and estate plans.

We provide expert professional assistance with safeguarding assets and maximizing their value through the use of effective tax and estate planning strategies.

To relieve family members or friends of the responsibility, we can manage, or provide assistance with, the administration of estates or trusts. We can be appointed as Executor, Co-Executor, Agent for Executor, Trustee, Agent for Trustee or Enduring Power of Attorney. Our fees are among the most cost competitive in the province.

As we help administer an estate or trust, it's likely that assistance will be required from professional service providers such as lawyers, tax accountants, investment managers, insurance agents, property managers or realtors. We will refer that work to your trusted advisors or, where you don't have an established relationship in place, we will refer the work to reputable advisors we know to be reliable. We can then coordinate and review the work they do on your behalf in order to ensure that you receive timely, competent service.



What is a Will?

A Will is a legally binding agreement that provides for the orderly transition of your assets, along with any liabilities, to your designated beneficiaries. In order to create an effective Will, it's critical to ensure that your Will is comprehensive, binding, valid and optimizes the transfer of assets to your beneficiaries. Taking incorrect steps in the preparation of your Will, or relying on poor advice, frequently leads to unnecessary financial liabilities at the time of death or to transfers of assets which contradict your original intentions.

If you die intestate, meaning without leaving a valid Will, there will follow a lengthy and costly process during which the court will appoint an Administrator who will choose a guardian for your minor children and who will manage and dispose of your estate according to rules specified in provincial law. Did you know that under these circumstances if you are married with children, the court will award roughly half your estate to your spouse and divide the remainder among your children? If, instead, you prefer to be the one to choose your children's guardian, choose who will inherit your estate and in what amount, and choose the age at which your beneficiaries will receive their inheritance, then you'd be wise to write a Will. By writing a Will and naming an Executor you can ensure the orderly, prudent and tax-effective transition of your assets and liabilities to your chosen beneficiaries in accordance with your personal wishes.

Identifying the Executor of Your Will

An Executor is an individual or corporation, such as a trust company, who you've named to be responsible for the administration of your estate after death. An Executor could be your spouse, other family member, friend or trusted advisor. As estates become larger and more complex, it's important to consider engaging the services of qualified professionals to carry out the duties and responsibilities of the Executor. One of the single largest costs faced by an estate is the transfer taxes on the movement of assets from the estate to the beneficiaries. Qualified Executors have current knowledge concerning these transfer taxes and legitimate methods which can be utilized to legally mitigate them. They remain up to date with legal and tax rules and can suggest modifications to your plan as circumstances change. You can either name a trust company such as Truvera as your Executor, or your named Executor can hire us to provide professional assistance.

Identifying Your Beneficiaries

A beneficiary is someone you name in your Will to receive certain property from your estate. There can be two types of estate property – capital and income - and a beneficiary may be entitled to one or both. A capital beneficiary is entitled to assets that create an income stream; an income beneficiary is entitled to the income stream.

An example of this distinction would be a rental property. Some people name their spouse as the beneficiary of capital property such as a rental condominium on a tax free basis. They would then name their children as the beneficiaries of the rental income to assist with their living or education expenses. Other people may choose to do the opposite due to their differing circumstances, where their spouse may need the income flow to maintain their lifestyle but ultimately the rental condominium will pass to the children.

There is no single answer which fits everyone, so when you write your Will you must take into account the unique needs and situations of your personal circumstances and address them in the most effective manner possible.

Analysis of Assets

Individuals accumulate a range of assets over the course of a lifetime. It is important to identify all assets and understand the legal requirements attached to each one prior to designating which beneficiaries are to receive which assets. A critical component of this plan is to understand the income tax aspects that attach to each asset transfer. For example, most assets passing to a spouse may transfer without tax cost. Some assets, however, such as RRSP's and RRIF's, may be subject to tax if not handled properly. Most assets transferring to children will attract tax costs, but some asset transfers may be tax deferred.

It is a fundamental strategy to identify every asset and every consequence arising from the transfer of the asset to a beneficiary.



Use of Trusts and Other Sophisticated Structures

For some estates, it may be beneficial to create certain vehicles to hold assets on behalf of individuals during their lifetime. An example would involve minor children inheriting property. A well-constructed Will might establish a separate trust which would distribute the property to the children when they reach a specified age. The choice of how the trust is created and which assets will flow to the trust could have a material effect on both the tax effectiveness of the structure and the ongoing cash flow generated by the capital of the trust. Another example is beneficiaries with disabilities because they have unique planning opportunities available to them with proper execution.

For certain estates, it may make financial sense to move assets to a trust during the Will-maker's lifetime. This is a complicated area which requires professional advice that is both current and takes into account pending legislative changes. The advisors at Truvera can help with Will and estate planning and administration.

Probate Fees

Probate fees are levied on an estate by the provincial government for their service in providing a Grant of Probate which authenticates the Will and authorizes the Executor. This process is referred to as probating the Will and only after receiving probate can an Executor transfer assets under a Will without risk of personal liability. In British Columbia the probate fee is approximately 1.4% of the gross value of the assets which pass through the estate, where the assets exceed a specified nominal amount in aggregate value. A well crafted estate plan will incorporate all possible ways to keep probate fees to a minimum.

Advantages of Using a Trust Company

Trust companies are licensed financial institutions which are regulated on an ongoing basis by provincial financial authorities. When you appoint a trust company to manage or assist with your estate, you have the security of using experts who are up to date with current legislation and have the knowledge, experience and professionalism to properly safeguard assets, seek reasonable investment returns, minimize taxes and comply with all legal filing requirements and deadlines.

Having your estate or trust administered by a neutral third party helps avoid conflict and controversy among family members. For example, joint accounts held with adult children can be a contentious issue due to recent legal decisions. It also relieves family members or personal friends of the burdens and legal liabilities which could arise from acting on your behalf. And it avoids tax liabilities or impairment of the value of your estate or income which could result from mishandling by an inexperienced or distracted family member or friend. When you appoint Truvera as your Executor or Trustee you help prevent these problems and you have the peace of mind of knowing that your estate or trust administration will be handled promptly and efficiently by willing, experienced, impartial professionals who are committed to their fiduciary responsibilities.

What to Expect When You Name Truvera

To learn more about planning your Will, contact Truvera to arrange a complimentary, confidential conversation with one of our Trust Officers. We can refer you to the appropriate legal representatives if you need to write or update your Will. If you appoint us as the Executor, Co-Executor or Alternate Executor of your Will, then you'll provide us with information about yourself, your beneficiaries and your financial assets and liabilities which we will hold in strictest confidence. You will also sign our compensation agreement. In the years ahead, you'll receive ongoing estate, trust and tax planning updates from us along with the opportunity to update your file information as appropriate. You'll be welcome to contact us at any time to review your financial and estate plans and arrangements and make any appropriate revisions.



Our Contact Information

Our team of advisors at Truvera is made up of respected professionals with years of specialized expertise. We can provide peace of mind with our competent, compassionate personalized assistance and we'd be happy to speak with you to discuss your needs.

Visit our website at www.truvera.ca and call us at **778-379-3933** or e-mail us at info@truvera.ca to set up a complimentary, confidential consultation.



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