NSBS Lunch and Learn Presentation

The Tax-Planned Will

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When results count.

Purpose of This Presentation

- presentation is not designed at the experienced estate or tax planner
- rather, it seeks to identify a few planning points that may be of assistance to the non-specialized tax practitioner and the general estate planning practitioner
- not a comprehensive review

Facts

- client arrives at your office for a scheduled appointment
- announces himself as Bond, James Bond
- advises he retired from Universal Exports some years ago and moved to Nova Scotia with his wife, Vesper. He is now 60 and she is 58
- two children, Daniel and Eva, 30 and 28
- no grandchildren
- Daniel runs his own incorporated business

Facts (cont'd)

- James' financial assets comprise:
  - house worth $500,000 in Halifax – joint with Vesper
  - cottage on the Shore worth $300,000 – joint with Vesper
  - RSP worth $500,000 – Vesper is beneficiary
  - non-registered investments $1,000,000 – joint with Vesper

Facts (cont'd)

- James financial assets comprise (cont'd)
  - life insurance with a $500,000 death benefit Vesper is beneficiary
  - pension from Universal Exports
  - owner-managed import/export business – James owns preference shares following a freeze last year and The Bond Family Trust (2006) owns common shares

The Non-Tax Planned Will

- see Sample No.1
- outright distribution to spouse with gift over to children equally
- no testamentary trusts except for grandchildren until age 21
- no express authority to do any post-mortem tax planning

The Tax Planned Will

- see Sample No.2
- key issues:
  - executors and trustees (clauses 3 and 11(k))
  - insurance trust (clause 4)
  - RRSP trust (clause 5)
  - family trust provisions (clause 6)
  - personal articles distributed outside residue trust (clause 7(c))

The Tax Planned Will (cont'd)

- key issues (cont'd)
  - seeding testamentary trust (clause 7(d))
  - spousal testamentary trust (clause 7(e))
  - testamentary trusts for children (clause 7(f))
  - interpretation provisions (clause 8)
  - powers to permit post-mortem tax planning (clause 11 (e)-(j))
  - professional advice (clause 11(m))

Questions?

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