

Create a Will and Protect Your Beneficiaries

Although financial advisors, lawyers and estate specialists always stress the importance of having a will, many people don't bother. Common reasons include not wanting to think about death, not knowing how to create a will, not thinking it's urgent ("I'm still young!") and not believing they have enough assets.

However, since the onset of the global pandemic, there has been a notable increase in adults of all ages looking to create a will. People have become more concerned about the uncertainty of life and are comforted by the certainty that a will can offer.

What is a will?

As part of your estate plan, a will (also known as a last will and testament) is a legally recognized document that spells out your wishes regarding how you want your property and assets distributed after you die. You can also appoint the executor of your will, who is responsible for managing your estate affairs and carrying out your final wishes.

When you die intestate (i.e., without a will), the courts will decide how your assets are distributed. This process may be costly, time consuming and emotionally difficult for the beneficiaries – and ultimately may not align with your wishes.

If you're married or divorced, have children or own a business, property, investments and other valuable assets, you need a will to protect and take care of your beneficiaries. Without the clarity that a will can provide, confusion and discord among family members may result.

Power of attorney

While an executor carries out your wishes after you die, you may also want to consider naming powers of attorney (POAs) to look after your interests when you're still alive. POAs are legal documents that allow someone you designate (called an "attorney" but not necessarily a lawyer) to make decisions on your behalf should you become incapacitated and unable to act rationally on your own. Examples include decisions related to your finances and your physical or mental well-being. When you die, POAs are no longer valid and your will takes effect.

Beneficiary designations

Through your will, you can make beneficiary designations to keep certain funds from being included as part of your estate. This allows your beneficiaries to receive those funds without going through probate, which is a process where your estate assets are assessed by the court and will be subject to probate tax, leaving a smaller inheritance for your beneficiaries (and making them wait longer to receive it). If you fail to make beneficiary designations, these assets will form part of your estate and will enter the probate process.

You can make beneficiary designations on registered plans such as TFSAs, RRSPs and RRIFs, as well as other plan assets including segregated funds and life insurance policies. If you have a spouse and don't want your RRIF

or TFSA assets transferred as a lump sum to his or her account, you have the option to name your spouse as a successor annuitant (for RRIFs) or successor holder (for TFSAs) and keep your current plans intact. Common-law partners may also qualify for this successor provision.

Having a valid will is a crucial component of estate planning. We can work with your legal counsel to create an estate plan that will ensure your final wishes are respected and executed, while helping your loved ones avoid potential stress and family conflict in the future.

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