PLANNING

Estate planning checklist

- ❑ **Make an inventory of physical assets, such as property, vehicles and art work, and their location.**
- ❑ **Make an inventory of financial assets and their locations such as:**
  - Bank accounts
  - RRSPs
  - TFSAs
  - RESPs
  - Investment accounts
  - Pensions
  - Insurance policies: home, auto, life, critical illness, long term care, disability insurance
- ❑ **Make an inventory of debts and their locations such as:**
  - Credit cards
  - Loans
  - Mortgages
  - Lines of Credit
  - Auto Loans
- ❑ **Check memberships in charitable organizations and associations.**
- ❑ **Check beneficiary designations on registered accounts and insurance policies to ensure they are current.**
- ❑ **Create a will. Appoint an executor, name beneficiaries, choose guardians for minor children.**
- ❑ **Create Continuing Power of Attorney (POA) for Property that will allow someone to take care of your financial affairs if you become mentally incapable. POA will only be effective while you are alive and will end at your death.**
- ❑ **Create a Power of Attorney for Personal Care that will allow someone to make personal decisions for housing and healthcare.**
- ❑ **Create a Living Will or Advance Directive that communicates your wishes regarding healthcare if you are ill and cannot communicate your wishes about treatment.**
- ❑ **Plan and pre-pay for your funeral.**
- ❑ **Transfer assets into joint ownership where appropriate.**
- ❑ **Give gifts before death.**
- ❑ **Ensure there is enough cash available to pay for the cost of dying, without forcing the sale of assets. This could include income taxes, executor and probate fees.**

- ❑ **Be aware that the Canada Pension Plan has a death benefit and survivor's pension.**

- ❑ **Make sure you know the location of:**
  - Original Will
  - Birth and marriage certificates
  - Marriage contracts
  - Co-habitation contracts
  - Separation agreements
  - Divorce decrees
  - Insurance polices
  - Real estate deeds
  - Investment and retirement accounts
  - Safety deposit boxes
  - Details of pre-planned funeral
  - Trust documents
  - List of professional advisors
  - Social Insurance Card
  - Names and address of: executors, trustees, beneficiaries, guardians.

❑ Digital Estate Plan

Make sure your executor knows digital assets exist and how you want them managed. These include login instructions for email, online banking, social media such as Facebook, Twitter, LinkedIn, Instagram; rewards programs such as Aeroplan, AIR MILES, Optimum; digital libraries such as iTunes; online accounts such as Amazon, Kijiji, Craigslist; monthly online payment authorizations for utilities, memberships, and subscriptions.

Create a password protected spreadsheet with relevant information such as:

- Description of asset
- Web addresses
- User IDs and passwords
- Account numbers
- Other relevant information and instructions

Or use an online service designed for storing passwords and relevant instructions.

❑ Beneficiary considerations - Pre-Retirement

OTPP and OMERS - You can name more than one beneficiary – person(s), such as a child, or organization(s), such as a charity. If you choose to name multiple beneficiaries, any pre-retirement death benefit will be divided equally among your beneficiaries, only if you pass away without a surviving spouse or dependant children.

You shouldn't name your spouse. It's not necessary to name your spouse as your designated beneficiary because an eligible spouse will receive your survivor benefits. This automatic right to your pension is protected in provincial pension law. The only exception to this rule applies when a valid separation agreement or court order assigns part of your benefit to a former spouse.

By designating a beneficiary, you decide who should get your pension death benefits in case your spouse dies before you do.

Naming your child(ren) as beneficiary(ies):

If you want your child(ren) to receive the biggest death benefit possible, you must name them as your designated beneficiary(ies). Although dependent children automatically receive a survivor pension for as long as they qualify for it, there is often a benefit (in addition to their pension) to pay out. This benefit can be substantial if your dependent children are older and will qualify for a pension for only a few years.

Children who aren't dependent on you will not receive any benefits unless they are named as your designated beneficiary.

❑ Beneficiary considerations - Post-Retirement

Spousal survivorship benefits - If you have an eligible spouse prior to retirement at the time of retirement, they are entitled to your pension before anyone else. You will be required to determine the % of your pension your surviving spouse will require for the rest of their life should you pre-decease them. OTPP members have the option of choosing a survivor benefit anywhere from 50% to 75% of one's pension less the CPP integration, while OMERS is set to 66 2/3% less the CPP integration.

Pension guarantee provisions – OTPP members have the option of protecting the first 10 years of pension payments. This optional provision is called the 10-year guarantee. If an OTPP member passes away within 10 years of collecting their pension, the remaining number of years up to year 10 could either

1. top up a surviving spouse to 100% of the deceased members' pension payment less the CPP integration up to the 10th year where regular survivorship will kick in (50-75%), or
2. provide the same benefit as #1 to dependant children should there be no surviving spouse, or
3. a lump sum amount could be payable to your estate.

OMERS offers a similar provision that is called a residual refund whereby there could be a refund of premiums and interest, payable as a lump sum if a member passes away usually within the first 5 years of collecting pension benefits. OMERS will pay a lump sum to a beneficiary or estate if no spouse or dependant children are identified.

For more information please visit **www.omers.com** and **www.otpp.com**