

clear_{estate}

Estate Plans Unravelled

Learn from common
estate planning mistakes
and set your family up for
success, not distress!



CARP
APPROVED

★ Trustpilot

Featured in

FINANCIAL POST



Modern estate solutions

Affordable

1/3 cost of traditional providers

Simple

Proprietary tech makes it easy

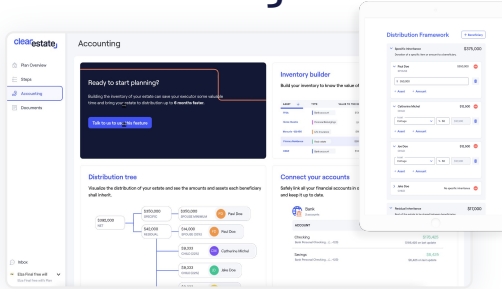
Expert

Multidisciplinary team of experts

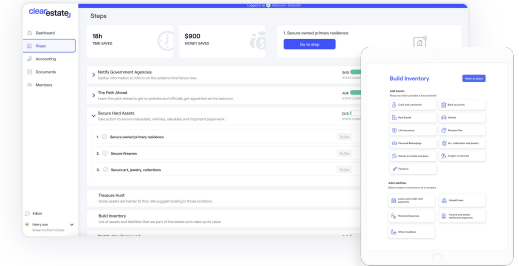
Who We Are

Tech-enabled, **personalized**, expert **estate** services.

Estate Planning



Estate Settlement



We help you and your family



Secure your **legacy**



Efficiently settle estate



Protect loved ones

Meet Your Presenter



Sara Hillier, TEP, MTI
Senior Director, Trust Solutions

Many years in estate planning/settlement

Trust and Estate Practitioner (TEP)

Member Trust Institute (MTI)

Wants to make these topics approachable

Offers sensitive and practical guidance

Learning Outcomes

You will learn about common pitfalls in estate planning and where to get help with this.

What's an Estate Plan and Why Do You Need One?

Definition

Arrangements for what happens with your assets when you pass away or become unwell.

Documents

Last Will and Testament
Power of Attorney for Property
Power of Attorney Personal Care
Health Care Directives
Living Trust (if applicable)

Purpose

Develop efficiencies and savings.
Customize for your family's circumstances and goals.
Simplicity for your loved ones.

Having an estate plan in place **provides peace of mind.**

Will

- ✓ Appoint an executor, who will be in charge of your estate and carry out important responsibilities
- ✓ Dictate who will receive assets from your estate
- ✗ Does not necessarily dictate the distribution of all assets (e.g., joint assets, direct beneficiaries)
- ✗ Does not include all information and documentation your executor will need to administer your estate
- ✗ Does not necessarily include strategies for optimizing your estate value
- ✗ Not a complete estate plan on its own

Estate plan

- ✓ Inventory of all assets and liabilities
- ✓ Includes all pertinent information and documentation needed for your loved ones
- ✓ Considers your goals and circumstances and optimizes your plan to fit your needs
- ✓ Allows for important conversations to occur, for example, beneficiary designations, trust solutions, etc.
- ✓ Significantly cuts time, fees and potential complications and disputes in your estate settlement, allowing your family to focus on healing

A close-up photograph of a person's hand holding a blue pen, signing a document. The document is titled "Last Will and Testament" and contains several lines of text, including "I hereby declare this to be my last will and testament and that I have no other will or codicils previously made by me either in writing or orally," and "I wish, without undue influence, to make this will and of sound mind, memory, and understanding, to dispose of my property as follows:". The signature is written in blue ink. The document is placed on a wooden surface, and a pair of glasses is visible in the upper left corner.

Last Will and Testament

Poll Question #1

How many of you have a **will and power of attorney** documents in place?

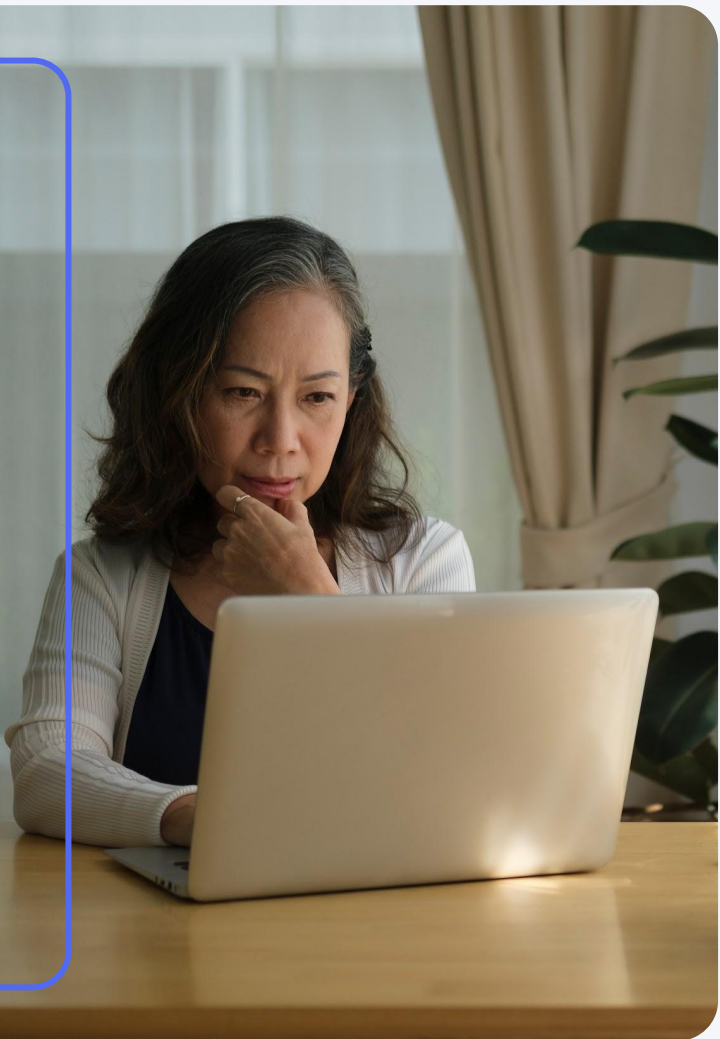


only **48%**
of Canadians
have a will in place



Poll Question #2

How many of you feel
your plan is **up-to-date**?



Among the Canadians
who have a will,
only **35%** say their
will is up-to-date



Estate Case Study

The Florida Property

Frank

- Frank lives in Vancouver and has three adult children and several grandchildren, all living in Canada.
- He splits his time between his home in Vancouver and a recreational property in Florida.
- His will, done in Vancouver, leaves everything to to be divided equally between his children.

Estate Case Study

The Florida Property

Issues

- When Frank passes away, his children realize there are separate estate settlement requirements in BC and Florida.
- Probate will be required in both jurisdictions with Florida's process having to wait until probate is granted in BC.
- Florida will need a local representative of the estate.

Result: Significant delays in dealing with the Florida property causing considerable additional expenses and its eventual sale at an inopportune time, reducing the value of the estate.

Lessons

When planning your estate, you must consider where your assets are located and how this will impact its settlement. Frank and his family could have benefited from him having a separate will to deal with the Florida assets so that an appropriate representative could be appointed and the necessary steps carried out immediately upon his passing.



Estate Case Study

Executor Abroad

Nancy & Paul

- Live in Ontario and have two children, Trevor and Claire, and four minor grandchildren
- Both Trevor (Amsterdam) and Claire (New York) have successful careers abroad
- Nancy & Paul have appointed Trevor as executor
- Their estate is worth approximately \$2M and their will includes specific gifts for their grandchildren with the balance of their estate to be divided equally between Trevor and Claire

Estate Case Study

Executor Abroad

Issues

- After Nancy and Paul pass away, there are complications with Trevor being a non-resident executor:
 - The court requires a bond;
 - The estate may be considered resident of the Netherlands and subject to tax there;
 - It is difficult to secure executor insurance;
 - It is challenging to coordinate steps to be taken with time zone differences

Result: The estate settlement is significantly delayed and incurs exponential additional costs and effort.

Lessons

When selecting your executor, it is critical that you consider jurisdictional issues. Ideally your executor is somewhat local to you, or at least within Canada. Nancy and Paul could have benefitted from having a Canadian executor, perhaps even a professional who would have guaranteed there were no jurisdictional issues.



Estate Case Study

Modern Family

James King

- James is a successful entrepreneur. He has two adult children with his first wife, Sherry.
- James subsequently marries Denise who has two children of her own.
- James and Denise are together for many years and have great relationships between them and all the kids.
- James passes away first and in their wills, they have left everything to each other, with it being divided equally between their four children on the death of the last of them.

Estate Case Study

Modern Family

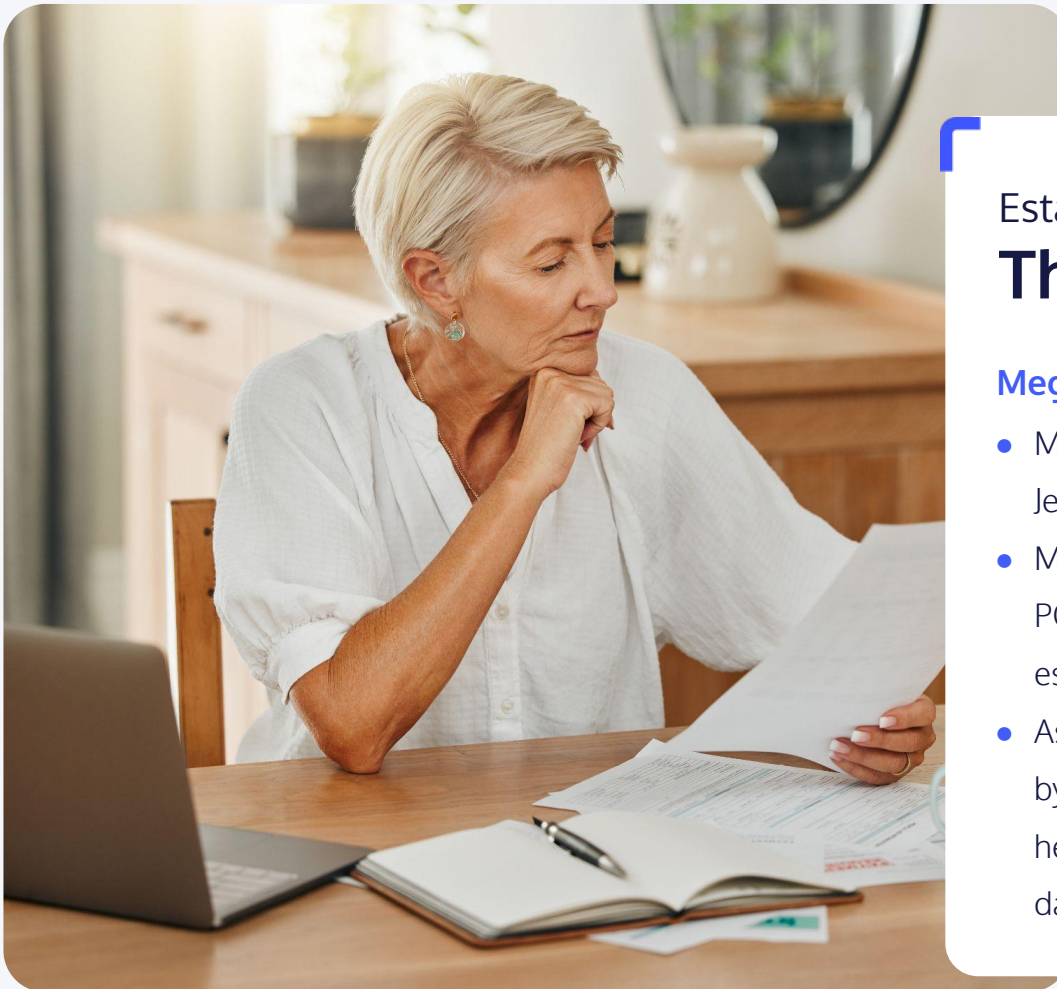
Issues

- After James passes away and over time, the relationships between Denise and James' children fades.
- Years later, Denise is informed she technically has no legal obligation to maintain the distribution to James' children in her will.
- She removes James' children leaving her entire estate to her two children.

Result: James' children are shocked and devastated to learn they are excluded upon Denise's passing. They take her estate to court, but ultimately lose and receive nothing of their father's significant assets.

Lessons

Blended families require careful planning. One must consider the possibility that moral obligations alone will not guarantee the desired outcome. James and his children could have benefitted from him distributing part of his assets to them upon his passing and/or creating a spousal trust that would benefit his wife should she survive him but ultimately pass everything to his children upon her death.



Estate Case Study

The Joint Account

Megan

- Megan has three adult children, John, Jeff, and Jennifer, who get along well.
- Megan has appointed all three children as her POAs and executor and her will distributes her estate equally between them.
- As she gets older she adds John, who lives close by and assists her the most, as a joint owner of her bank account in order to help her with her day to day transactions, etc.

Estate Case Study

The Joint Account

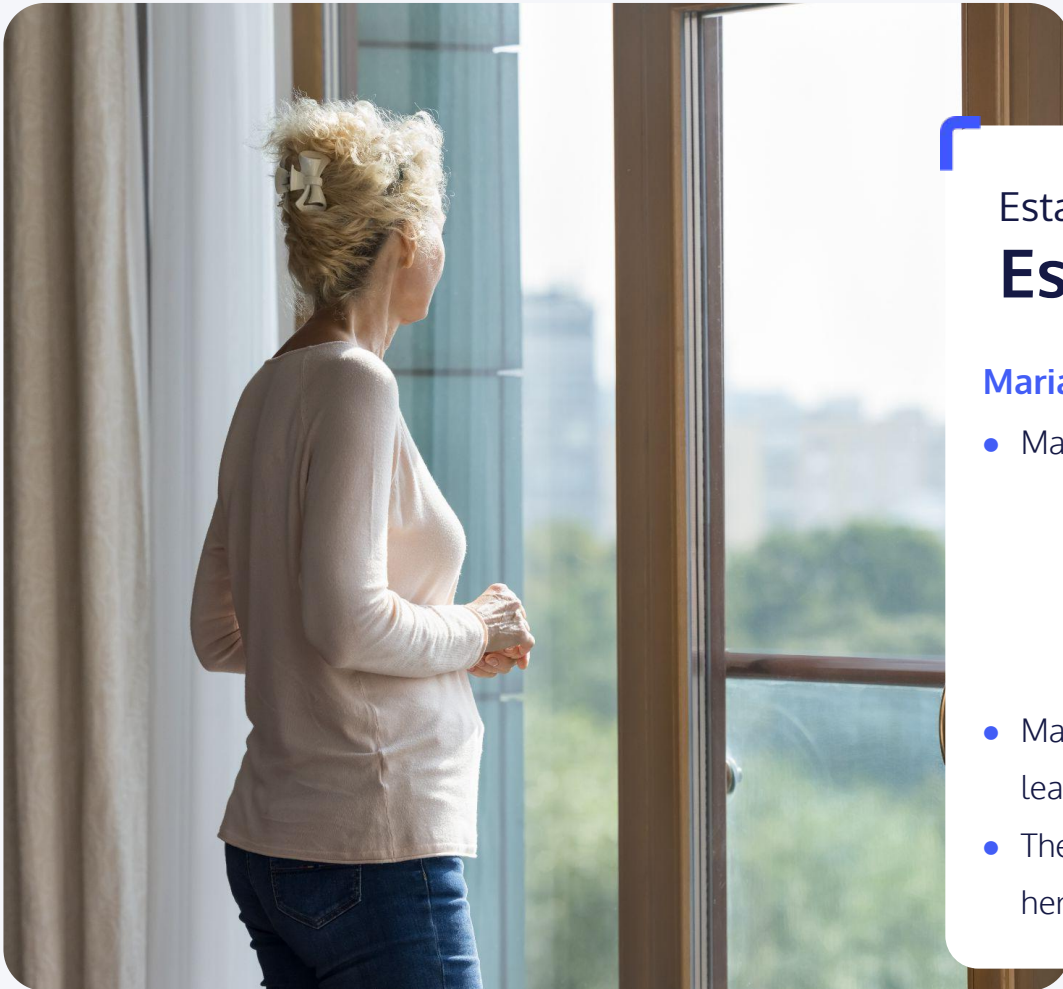
Issues

- When Megan passes, the siblings begin the process of estate settlement.
- When John attends the bank, the teller informs him the joint account is now his as he is the surviving owner. John is surprised, but transfers the balance of \$85K to his own account.
- When Jeff and Jennifer find out, they are furious and do not believe this was their mother's intent.

Result: Jeff and Jennifer take the matter to court. They need to be replaced with a neutral executor. Eventually, the court rules in favour of Jeff and Jennifer, but this cost significant time and expense in the estate and a permanent rift.

Lessons

Jointing an asset can have a significant impact on your estate settlement and must be thought through carefully. Megan and her children would have benefited from her clearly documenting her wishes with respect to the bank account and ensuring the bank recognizes those intentions.



Estate Case Study

Estate Eviction

Maria

- Maria has three adult children:
 - Gio who lives far away
 - Matteo works, but struggles financially and lives with Maria
 - Isabelle who is busy with her own kids
- Maria names Gio and Isabelle her executors and leaves her estate to her children equally.
- There is no specific direction in her will regarding her home, which is the main asset of her estate.

Estate Case Study

Estate Eviction

Issues

- When Maria passes away it becomes apparent that Matteo has no funds to move out, nor would he qualify for a mortgage to buy out his siblings.
- Isabelle wants to consider Matteo's best interests, but Gio wants the home sold as quickly as possible and expects Matteo to pay market rent if he stays there in the interim.

Result: Matteo is forced to move from his home without much notice or any plan for his living expenses until he receives his inheritance, which won't be for many months.

Lessons

Beneficiary circumstances must be considered carefully when estate planning. Special attention should be given to plan for where a loved one is living at a property and/or financially dependent. Maria and her children could have benefitted from Maria considering a timeline for Matteo to stay in the home and other arrangements to support his financial stability over the long term.



Case Study

All Things Equal

Gerry

- Gerry has four adult children and wants his estate to be divided equally between them as follows:
 - Miranda: House \$1M
 - Chris: Recreational Property \$1M
 - Teresa: RRIF \$1M
 - Brian: Other accounts \$1M
- He wants to minimize probate and delays in his estate administration so he adds Miranda as a joint owner of his house, adds Chris on his cottage, names Teresa as beneficiary of his RRIF and Brian as beneficiary of his will.
- No consideration is given for estate liabilities.

Estate Case Study

All Things Equal

Issues

- When Gerry passes away the value of the assets are no longer equal AND the estate expenses, including all tax liabilities, significant given the recreational property that has gone up in value and the RRIF where the entire amount is taxed as income, are paid from the estate (“other accounts”).
- The end result:
 - Miranda: House \$1.2M
 - Chris: Recreational Property \$1.4M
 - Teresa: RRIF \$600K
 - Brian: Other accounts \$800K, reduced by estate expenses of \$500K = \$200K

Result: This is far from the equal distribution Gerry had intended. His kids go to court over it, causing significant time, expenses and fractured relationships.

Lessons

Estate planning must be looked at holistically. Your distribution should be mapped out to consider what is passing inside and outside of your estate and where all expenses and liabilities are being paid from.

Gerry would have benefitted from a proper review of this and careful consideration of options to reduce the impact of probate that would not risk an unexpected unequal distribution of his assets.

Estate Case Study - Takeaways

Why Planning Matters



Protect your loved ones

Maintain family harmony and lessen the burden of estate settlement



Select the Right Representatives

Ensure you have the right executor, POAs, guardians and trustees to look things after your loved ones



Minimize expenses

Minimize and plan for expenses tied to settling your estate such as probate and tax liabilities



Healthcare / Last wishes

Specify your preferences around personal care and medical decisions



Protect your assets

Safeguard your family's financial future, and set out carefully how your wealth is distributed



Customize for your needs

Develop a plan that accounts for you and your family's specific circumstances and goals



Poll Question #3

Given what we've covered, do you think it may be worth **reviewing your estate plan?**

The best gift you can
give your loved one is a
planned estate



Estate Planning made easy

With ClearEstate, you can ensure your **wishes are clear** and will be carried out **quickly and efficiently**, leaving the **legacy you intend** for your family.

Intro to your **dedicated Estate Professional** and discovery of your goals

Guidance and coaching on your key considerations and decisions

Creation of your **estate planning documents** (will, trusts, power of attorney for property and personal care, health care directives, etc.)

Unlimited access to platform to keep your information up to date and **annual review** with guidance on changes and improvements

Intake of your **personal and asset information**

Development of your **personalized estate plan**, including a visual of your estate distribution

Securely store all documents and information in **ClearVault**, easily accessible for you and your loved ones when needed

You will receive **expert and personalized guidance** from our **team**, every step of the way.



ClearEstate

Professional Services

- ClearEstate's fiduciary partner appointed as executor and ClearEstate as agent to professionally manage estate settlement
- Alleviates significant liability and burden from your family
- Ease and efficiency for you and your loved ones
- Expertise in estate planning and settlement
- Continuity of professionals
- Affordable and accessible
- Independent and impartial
- Can address complex needs and strategies
- Support and transparency for your loved ones
- Helps you leave the legacy you intend

Client testimonials

“I couldn't be more impressed with ClearEstate and how they have helped me through this probate process. I still have a bit to go but I couldn't have done it without them. Their team is so eager to help with your questions, concerns, fears, etc. **Probate is a scary word and process, but with ClearEstate by your side, you will get through it.**”

- Patricia A.

“So glad I found ClearEstate. Before now I didn't even know I could **appoint a professional executor in my will.** Now I don't have to worry about how my kids needs will be taken care of if something happens to me.”

- Jason W.

“**I am extremely pleased with the approach** of ClearEstate to estate planning... With ClearEstate's estate maintenance software and advisory capabilities, I feel that my family will be able to work through the various estate administrations without the enormous administration costs that could be charged.”

- Robert C.



 Trustpilot

Q&A

Book a FREE consultation

Visit [clearstate.com/carp](https://www.clearstate.com/carp)

The information in this presentation constitutes general information and it is not legal or financial advice. ClearEstate does not provide legal or financial advice and cannot guarantee the accuracy or completeness of the information contained herein. We recommend seeking professional advice when needed.

For information about ClearEstate visit www.clearstate.com.

© 2023, ClearEstate Technologies Inc., ALL RIGHTS RESERVED. NO USE OR REPRODUCTION WITHOUT PERMISSION.