

Estate Needs Calculator

COSTS OF DEEMED DISPOSITION OF ASSETS UPON DEATH

Transfer your estate efficiently

The Estate Needs Calculator has been designed to estimate the future value of your investments, properties and other holdings and calculate what the associated costs could be to your estate.

It's a tool that summarizes your Canadian¹ assets, liabilities and planned expenses. You will gain valuable information about how these assets will be subject to tax after you die and project what may remain available in your estate to pass on in accordance with your wishes.



Is this tool right for you?

Having an understanding of what you own and how its value is estimated to increase over time can help you to identify strategies to make sure you achieve your goals of growing and protecting your estate. In addition to documenting your intentions through a financial plan and your will, how do you ensure that the value of your estate is not eroded by substantial expenses such as taxes and other liabilities as well as estate administrative and probate costs?

This tool can assist by outlining what financial obligations may exist with your estate. By understanding these costs, you and your professional advisors are in an excellent position to ensure your goals can be met. Some of these goals may include:

- Tax efficient transfers of wealth to your heirs.
- Reduced estate administration costs and delays.
- Cover end-of-life expenses like debts, funeral costs and taxes payable at death
- Planned charitable gifts or supports to causes that you hold in high esteem.
- Leave the legacy of your choosing.

¹Although assets outside of Canada are not considered with this concept, they are also subject to a deemed disposition on death in your Canadian tax return.

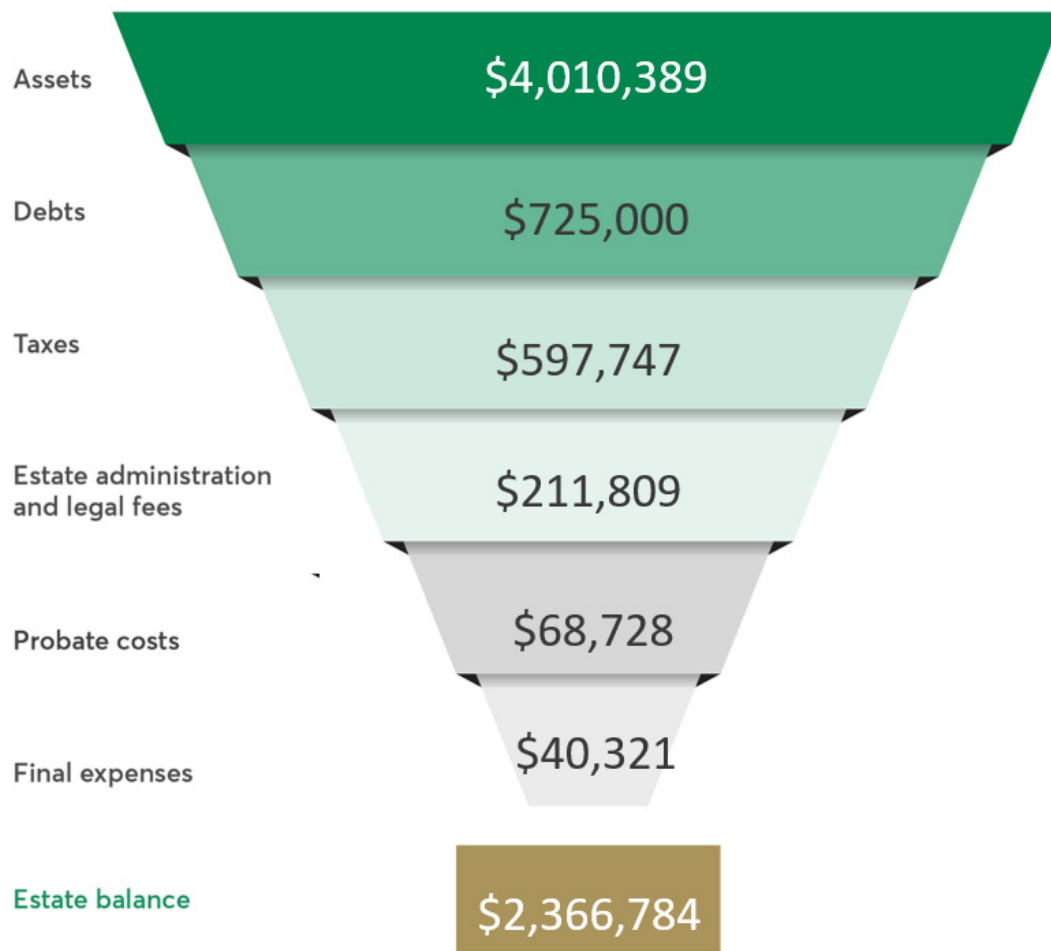
Understand the tax consequences for your estate

Part of your wealth is made up of assets like real estate and investments, which have imbedded capital gains that are realized upon death. As per the *Income Tax Act*, you will be deemed to have disposed of all your assets at fair market value², and **the resulting capital gains and income will need to be reported**. If the value of your investment real estate properties has been depreciated for tax planning purposes, this depreciation will be taxed as income. Your registered plans, such as RRSPs or RRFs, are also taxed as income when you die.

Furthermore, many provinces and territories require an estate to be probated, which can result in the levying of additional costs to your estate.

By projecting the future value of your assets and liabilities, the Estate Needs Calculator can estimate what these taxes, fees and expenses will be. This can help paint the picture of what the final value of your estate will be. This estimated final value is what will be available to distribute to your loved ones, chosen charities and other beneficiaries

PROJECTED ESTATE BALANCE³



² Certain assets may qualify for a tax-deferred rollover to a spouse or common-law partner

³ Values shown in this example are for illustrative purposes only

The advantage of planning early

There are a number of advantages to projecting your estate balance early, not least of all is the funding options that may be available to you. Whether you choose to have these future expenses covered by liquidating assets, borrowing funds or through a life insurance policy, the earlier you strategize a plan, the more cost effective your solutions could be. What's more, you can be confident in knowing that the assets you've worked so hard to accumulate can pass efficiently as per your wishes.

Speak with your professional advisors today to determine the estate plan that best suits your needs.

The Estate Needs Calculator has been designed to project future values of an estate along with the anticipated taxes, fees and other liabilities. This tool is not intended to replace a comprehensive financial plan nor is it to be viewed in and of itself as a financial plan.

The Estate Needs Calculator is a planning tool that can help you plan an inheritance to your loved ones and chosen charities.

You worked hard to build a legacy—we can help you protect it.

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