



WHEN YOUR LOVE BECOMES TRUST

A trust is a legal entity created by you and administered by a trustee (who holds legal title to the property of the trust) for the benefit of your beneficiaries. Inter-vivo trusts are trusts created during your lifetime. Trusts created after death, through the use of wills for example, are called testamentary trusts.

The use of trusts in estate planning is popular due to a number of significant tax planning opportunities. However, trusts are also excellent estate planning tools aside from these tax benefits. For clients, especially those over the age of 65, inter-vivo trusts can help with estate and succession planning in many wonderful ways.

CONFIDENTIALITY: the ability to keep your affairs confidential is important especially if you own an active business. Trusts have few reporting requirements.

AVOID PROBATE: If you put property in a trust before you die that property passes outside your estate on death and thus avoids probate fees. This process can be lengthy, costly and can also expose a family's private financial matters by making them a matter of public record.

CONTROL: The trust can be used to set up property distribution among the trust beneficiaries while you are still alive. This minimizes any future discord between trust beneficiaries as you will be able to declare and fulfill your intentions with trust assets before you pass.

SIMPLIFY: Future estate administration issues can be minimized as you are putting everything in order now before you die

CREDITOR PROTECTION: Assets that you transfer into the trust will be protected against any estate litigation after you die. At that time, disgruntled relatives may challenge the validity of your will.

CONTINUITY AND LIQUIDITY: If you have an active business it's important that transitions after death go smoothly. A trust helps ensure that trust assets aren't frozen during probate or a will being challenged by disgruntled relatives or creditors.

FOREIGN ASSETS: Offshore assets can sometimes be transferred into the trust. This minimizes the risk that assets may be lost after death as the executor of your will may have no idea that these offshore assets exist.

TAX PLANNING: These trusts are used to hold capital-growth investments for the benefit of your children and grandchildren, including those less than 18 years of age. They are also used to hold investments which earn interest, dividends and capital gains for the benefit of your children and grandchildren who are 18 or older.

A properly drafted and funded living trust can be a very important part of a successful wealth and estate planning strategy. This planning should integrate tax issues with estate administration issues as well as it should include a reflection of your personal values and feelings towards your heirs. This is one way, while you are still alive to guarantee the results you wish to see in the future.



To have a deeper conversation about how this subject will affect you or your business, please contact us directly:

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