

Notes from the Corner Office, June 2013

How a Certified Financial Planner could have helped a family



Recently, while waiting for an appointment in a very busy public venue, I had the occasion to overhear a family discussing the problems that occurred after the death of their father. The couple, seniors themselves now, had been given, and too late it seems, the Power of Attorney for their father, and were now suffering the results of poor estate planning.

The father's assets, including volatile shares in the market, had been significantly reduced after the crash in 2008. Too ill to manage the rebalancing of his portfolio, the father became poorer as the years went on and his stocks did not improve in value. He lost over half of his original investment value over the years since 2008.

Other assets had no named beneficiaries, and so all went in to the estate probate process. Monies that were needed for burial expenses, hiring an attorney, and all funds that should have been provided to the family outside of the life insurance were part of probate now.

The government assessment for taxes owing on the estate had come back at over \$100,000, essentially wiping out most of what was meant to be a transfer of wealth to the next generation. The problem was, the father did not have a financial planning expert to guide him during the estate planning process. He instead relied solely on his accountant to manage his assets until death, and only at the last minute, had the family installed as financial power of attorney.

The son, who was planning his own estate at the time, proclaimed loudly that he would have made sure the money was going to transfer to inheritants and with minimal estate taxes. The frustration and sadness I heard from the son was difficult to hear. As well as dealing with the loss of his parent, he now *has* years of trouble closing the estate ahead of him, and all the while trying to move on with his own retirement.

What can we learn from this experience? That taking the time to talk to a [Certified Financial Planner](#) is worth the effort, to discuss the options for estate bypass, and the advantages of assets held with an insurance company. Minimizing estate taxes is possible

with a number of solutions I provide, and we have the knowledge, experience, and care to provide these options to our clients. If you are planning your retirement, or are already retired and planning your estate, consulting a Certified Financial Planner is the right place to start. I can come to you, in the comfort of your own home, and sit down with your family to discuss how best to plan for the road ahead.

Are you planning to appoint one of your children, or your spouse to manage your funds should you become unable to do so due to illness or disability? Do you know if he/she is ready to take on this task? Having a Certified Financial Planner on your team will help with this transition should the need arise. Bring to your meeting the people you will appoint to manage your money, and let them be a part of the process. If you have worked all your life to save, don't give it away to the government if you don't have to. Take a look at where your assets are currently managed, and see if there are better options to avoid the probate process. One of my primary goals is to be sure I offer you an annual service review. When the office contacts you about an annual review, let them know you would like to discuss Estate Planning. We have appointments to suit your schedule.

We will be out in the community in the coming months, offering seminars on retirement and estate planning, estate bypass, and minimizing estate taxes. We would like to share our years of experience with you, while you make your future plans. Please join us. Our events will be posted on facebook at www.facebook.com/specialtywealthandfinancial, or on our home page of the website at www.specialtywealth.com, where you can join online and register.

Do you have a community group or organization that would like to have a seminar designed for them? We will design presentations based on your individual group interests. One subject your fundraising group may want to explore is our Charitable Giving program. Learn more about how you can leave a legacy to your favourite charity or cause. We will travel to your local group and present **financial planning seminars** that are of interest to you, or host you in our own conference room in Newcastle. Let us know what you want to know, and we'll be there.

Our recent seminar, "Let's Talk About Money: A Family Approach" brought children and families out to the Newcastle Public Library to begin the discussion about how to save for the future, understand credit, and prepare for higher education costs. Take a look at our article this month: [Beyond the RESP: Saving for the Future of our children and grandchildren](#) on our [website](#). Learn about how life insurance can play an essential role in the financial security plan for our youth. Thank you to all who attended and we hope you will come out to plan your financial future with us.

Oh, and before you venture out to take part in all the recreational fun that summer has to offer, be sure your life insurance plan is all you need it to be. Bring us what coverage you currently have, and we can review it with you to be sure you are well protected. Disability is not something we like to think about, but the time to prepare *for it* is not when you have already had an accident, or a critical illness.

Enjoy the great spring weather, and we hope to see you soon at Specialty Wealth & Financial.

Sincerely,

Ron King