

## **A Well Drafted Will Can Save You Taxes and Save Your Family Grief.**

A will is the cornerstone document of an estate plan. While it is a financial planning device, it is also a personal document. Remember that, however long and involved it may seem, it is an expression of what you *will* to happen with your worldly goods after you have passed away. It is also your last word to family and friends.

In your will, you appoint someone to deal with your estate once you are dead. There are many names for this person - *personal representative, executor, executrix, trustee, and estate trustee with a will*. The most familiar term is “executor.”

The executor is responsible for paying your debts, for filing your tax returns and making sure your taxes are paid, for protecting the assets in your estate, and for distributing the assets according to your wishes as expressed in your will.

Choosing an executor is something that should be given careful thought. You should choose someone you trust, who will be available and competent to act at the time an executor is needed. Most people will choose their spouse as executor. If they have children, one child or more may be chosen to act as an alternate executor if the spouse is unable or unwilling to act. In some cases, however, it is better to appoint someone outside the family, or have more than one executor.

An executor is entitled to be paid for the work he or she does. Frequently, however, family members or others who are also beneficiaries will waive their compensation.

A will deals only with the assets in your estate at the time of your death. Money in a joint account, real estate held in joint tenancy, RRSPs and RRIFs, and life insurance payable to a named beneficiary are all excluded. You can, however, make a designation of a beneficiary for either life insurance or RRSPs and RRIFs in your will. Sometimes a joint account is presumed to be part of your estate.

While you are alive and competent, you can change your will. A will has no force and effect until your death. You can revoke it by making a new will or by destroying the old one - burning or tearing it up. You can also do a codicil, which is an addition to your will making changes to one part without revoking the will as a whole. You cannot change your will by writing changes on it.

To make a will, you must be an adult and mentally competent. A valid will must have two witnesses who know who you are and that you are over 18. Both witnesses should sign in your presence and in the presence of each other. A beneficiary or the spouse of a beneficiary should not witness a will, or the gift to him or her is invalidated.

You can make a “holograph” will entirely in your own handwriting, but it is easy to omit important matters, and a will can be challenged many ways, so it is better to get assistance from a competent lawyer.