Trust & Estate Planning Curriculum

This document includes:
- Knowledge & Skills Objectives
- Topics Covered

Knowledge & Skill Objectives

Detailed objectives are contained in each chapter of the text material. The following is an overview:

Knowledge Objectives:

Upon completion the student will:

- Understand the estate planning process
- Know how trusts are utilised to achieve non-tax objectives
- Understand how trusts are used in tax planning
- Appreciate how estate plans are tailored to suit different family situations
- Understand the planning needs and opportunities for owner managers
- Understand the different types of life insurance and how they can be used to achieve estate planning objectives
- Understand post mortem tax planning strategies and when they are appropriate
- Understand how the estate plan fits into the client's overall situation and know the common problems associated with poor communication and failure to consider future events
- Understand complex tax issues and traps applicable to trusts and estates
- Understand the rules relating to charitable giving
- Understand how US estate tax and US gift tax can affect Canadians
- Understand key offshore planning concepts

Skills Objectives:

Upon completion the student will, in relation to the topic headings listed below, be able to:

Estate Planning Process
- Identify the steps in the estate planning process
- Explain the advantages and disadvantages of different estate planning strategies and contrast them with one another

Knowledge & Skill Objectives Continued…

Trusts for Non Tax Reasons
- Describe the ways trusts can be used to preserve wealth and provide protection
- Identify how trusts can be used to achieve non tax objectives

Planning for Particular Family Situations
- Identify the planning issues for different family situations, such as marital status, with or without children
- Explain the potential estate planning problems that arise from a second marriage
- Identify issues relating to “uneven” distributions to children

Planning for the Business Owner
- Identify and explain key planning strategies for the owner manager
- Explain an estate freeze and identify when it is appropriate
- Describe the importance of business succession

Use of Life Insurance in Estate
- Identify the types of life insurance and how they are utilised in estate planning
- Explain an insurance trust and identify when it is appropriate

Post Mortem Tax Planning
- Identify post mortem tax planning opportunities
- Describe the strategies for post mortem planning with closely held corporations including reducing the double tax on property held in a corporation
- Explain how rollovers and the capital gains exemption can be used to advantage

Designing the Plan to Fit the Client and Avoid Common Pitfalls
- Describe how unexpected events might disrupt the estate plan
- Explain how the estate plan fits into the client’s overall family and financial situation

Advanced Tax Issues and Traps for Trusts and Estates
- Explain the potential problems arising from the attribution rules and the 21 year rule
- Identify key tax problems often encountered with trusts and estates

Charitable Giving
- Define the meaning of charity
- Describe the different ways in which charities can be organised
- Identify how charitable giving can be incorporated effectively into an estate plan

US Estate Tax Planning
- Identify situations in which Canadians may be subject to US estate and gift tax
- Describe the planning strategies that may reduce the cost of US estate tax
- Explain the need for specialised expertise to advise on US issues

Knowledge & Skill Objectives Continued…

Offshore Basics

- Explain the key offshore planning opportunities and the importance of specialised advice
- Describe the limitations of offshore planning
- Understand how laws of other jurisdictions may affect succession of property

Summary of Topics Covered

1. **The Estate Planning Process**

    Discovery
    Analysis of information
    Identifying Objectives
    Obligations
    Distribution schemes
    Identifying Strategies
    Choosing/deciding Strategies
    Implementation and follow up
    The Advisor Team
    Overcoming resistance and procrastination

2. **Uses of Trusts for Non Tax Reasons**

    Protect Individuals from themselves or others
    Caretaker Trusts
    Preserve provincial disability benefits
    Preserve capital for another beneficiary
    Defer Ownership Decisions
    Motivate Behaviour
    Alternate to Power of Attorney
    Probate Avoidance
    Confidentiality
    Preserve particular assets
    Asset Management
    Inter vivos and testamentary trusts

3. **Uses of Trusts for Tax Planning**

    Inter vivos income splitting
    Testamentary Trusts
    Utilizing the Capital Gains Exemption
    Capital Appreciation Trusts
    Trusts as shareholder
    To Distribute Dividends to Low Rate Beneficiaries
    Inter vivos and testamentary trusts

Summary of Topics Covered Continued…

4. Planning for Particular Family Situations

Planning for couples
Second marriage
Widowed
Divorced
Single Person
Disinheriting Beneficiaries
Enriching Family Members
Protecting Inheritance from Son or Daughter in Law

5. Planning for the Business Owner

Introduction
Unique Characteristics
Tax Planning Strategies
Estate Distributions
Business Succession

6. Use of Insurance in Estate Planning

Types of insurance and their uses
Uses of Life Insurance
Insurance Trusts
Specific Examples/Cases for the Family Business

7. Post Mortem Tax Planning

Funding the trust
Income Considerations
Registered plans
Rollovers versus non-rollover for capital property
Maximizing Deductions and Credits
Maximizing use of the Capital Gains Exemption
Accessing losses
Issues with Corporations

8. Designing the Estate Planning to Fit the Client – Avoiding Pitfalls

Putting the Whole Plan Together
Client Communication:
Inter vivos Planning/ Gifting
Common Drafting Problems in Wills

9. Advanced Tax Issues and Traps for Trusts and Estates

The Trustee/Settlor Attribution rule in s. 75(2)
Attribution
Trust borrowing and guarantees – 74.5(7)
Farm properties 75.1
Interest free or low interest loans 56(4.1)

Summary of Topics Covered Continued…

Conferring a benefit 56(2)
Dangers of 84.1 and crystallization
Employee Stock Options
The "Hidden" US Citizen
Tax liability and Registered Plans
The 21 Year Rule

10. Charitable Giving

Identifying Charitable Objectives
Rules relating to the Donation Tax Credit
Charitable Organisations and Entities
Structuring Philanthropy

11. US Estate Tax Planning

Tax on Death: Comparison of US and Canadian Systems
US Estate Tax System
Planning Strategies
Identifying US issues and making referrals to an expert

12. Offshore Basics

Cautions
Overview of Non-Resident Trusts
Trusts deemed to be resident in Canada
Inbound and Outbound Trusts
Immigration Trusts
Becoming a Canadian Resident
Becoming a Non Resident of Canada
Forced heirship
Compliance Requirements