

Trust & Estate Planning *Knowledge and Skills Objectives*

Knowledge Objectives

Upon completion of the course the student will:

- ❑ Understand the estate planning process
- ❑ Understand how the estate plan fits into the client's overall situation
- ❑ Know the common problems associated with poor communication
- ❑ Explain the problems that may result from failure to consider future events
- ❑ Know how trusts are utilized to achieve non-tax objectives
- ❑ Understand how trusts are used in tax planning
- ❑ Understand the role of tax and estate planning in preserving and transferring wealth
- ❑ Understand post mortem tax planning strategies and when they are appropriate
- ❑ Understand complex tax issues and traps applicable to trusts and estates
- ❑ Know how to plan for incapacity and death
- ❑ Understand the tax and legal consequences of death
- ❑ Understand how provincial succession laws can impact estate plans
- ❑ Understand the rules relating to charitable giving
- ❑ Appreciate how estate plans are tailored to suit different family situations
- ❑ Appreciate how estate plans are tailored to business owner situations
- ❑ Understand the planning needs and opportunities for owner managers
- ❑ Understand post mortem tax planning strategies and when they are appropriate
- ❑ Understand the different types of life insurance and how they can be used to achieve estate planning objectives
- ❑ Understand how US estate tax and US gift tax can affect Canadians
- ❑ Understand key offshore planning concepts
- ❑ Understand how laws of other countries may apply to Canadian Estates

SKILLS OBJECTIVES

Upon completion the student will be able to:

General Skills

- ❑ Analyze the client's financial status and overall estate planning objectives
- ❑ Identify the steps in the estate planning process
- ❑ Explain the advantages and disadvantages of different estate planning strategies and contrast them with one another
- ❑ Conduct the six step financial planning process and decide on the critical components of the client's plans and objectives
- ❑ Assess the tax implications
- ❑ Assess the family law/succession law implications
- ❑ Assess estate creation initiatives
- ❑ Assess estate conservation initiatives
- ❑ Assess retirement and disability considerations
- ❑ Assess liquidity issues
- ❑ Assess death and equity issues
- ❑ Design a financial and estate plan to address the client's objectives
- ❑ Recommend strategies for pursuing the financial and estate plan
- ❑ 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
- ❑ Determine whether or not the client (spouse, child, parent, beneficiary) is a U.S. citizen

Planning with Trusts

- ❑ Analyze the client's current financial status and financial planning objectives with a view to determining a planning strategy involving the use of trusts
- ❑ Examine alternative types of trusts that may apply to support the client's estate planning strategies
- ❑ Illustrate to the client the benefits of the use of trusts in estate planning
- ❑ Know how trusts are utilized to achieve non-tax objectives
- ❑ Understand how trusts are used in tax planning
- ❑ Understand complex tax issues and traps applicable to trusts and estates

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
- ❑ 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
- ❑ Consider applications for the capital gains exemption.

Charitable Giving

- ❑ Identify the client's charitable giving objectives and discuss alternatives for planned giving during life and at death
- ❑ Understand the rules relating to charitable giving
- ❑ Identify how charitable giving can be incorporated effectively into an estate plan

Creditor Protection

- ❑ Identify any current or potential creditor issues and discuss alternative strategies for the preservation of assets

SKILLS OBJECTIVES (CONT'D)

Planning for Incapacity

- ❑ Identify the need for planning for incapacity
- ❑ Describe how powers of attorney are used in the event of incapacity
- ❑ Identify the criteria for choosing a substitute decision maker
- ❑ Compare the advantages and disadvantages of selecting particular substitute decisions makers and explain the alternatives to the client
- ❑ Assess the client's powers of attorney and health care directives

Probate Planning

- ❑ Examine alternative strategies for the efficient and secure transfer of assets inside and outside the will at death
- ❑ Show the client alternative strategies and assist him/her in selecting the most appropriate for his/her situation

Will Planning

- ❑ Assess the role of a will as critical to true estate planning, whether one views that planning as being aimed at the fulfillment of the deceased's desires relating to estate distribution or as tax minimization
- ❑ Explain the benefits of engaging a qualified lawyer to develop a reliable will
- ❑ Compare the advantages and disadvantages of various choices for executor and explain the alternatives to the client
- ❑ Assess the client's estate liquidity and explain the issues around an estate that does and does not have liquid assets

Estate Tax Planning

- ❑ Formulate appropriate estate planning strategies to mitigate the effect of the tax implications at death
- ❑ 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
- ❑ Analyze the client's assets and ownership interests and determine those properties that will and will not be subject to probate
- ❑ 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

Family Estate Planning

- ❑ Identify issues and planning strategies that are appropriate to the client's family situation and the property to be distributed to family members
- ❑ Assess the client's obligations to a current or former spouse or common law partner
- ❑ Assess the client's obligations to dependents and other family members
- ❑ Identify alternative planning strategies to satisfy the client's legal obligations to family members
- ❑ Analyze the client's family situation and discuss and evaluate the client's objectives with respect to family members as beneficiaries
- ❑ Identify alternative planning and distribution strategies to meet the client's estate planning objectives with respect to family members
- ❑ Identify the planning issues for different family situations, such as marital status, with or without children
- ❑ Discriminate among alternative planning strategies and recommend preferred alternatives to the client to address family support objectives, obligations, and family distribution objectives
- ❑ Explain the potential estate planning problems that arise from blended families
 - ❑ Identify issues relating to "uneven" distributions to children
- ❑ Identify issues and make recommendations with respect to distribution of a recreational property to family members

SKILLS OBJECTIVES (CONT'D)

Business Estate Planning

- ❑ Analyze the client's business structure with a view to determining the extent of his/her interest and ways in which that interest can be preserved for wealth preservation and estate planning purposes
- ❑ Examine the applicability of buy-sell agreements in supporting the client's plans
- ❑ Illustrate the benefits of a buy-sell agreement and show alternative structures
- ❑ 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
- ❑ Consider applications for the capital gains exemption
- ❑ Assess the need for life insurance to support the estate plan and (in conjunction with the insurance content of other study units) recommend alternative insurance strategies

U.S. Estate Tax Planning

- ❑ Identify the client's U.S. assets and discuss their effect on the client's wealth transfer and estate 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 specialized expertise to advise on US issues
- ❑ Recognize situations in which foreign succession law may apply to Canadian estates

Offshore Planning Basics

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