Basics of Estate Planning

The Sagicor Advisor October 30, 2018 Estate Planning

THE BIG SIX ESTATE PLANNING QUESTIONS

Do you have the right amount and type of life insurance for survivor income, loan repayment, capital needs and all estate-settlement expenses?

Many estates have ample real estate and personal property but lack liquidity (cash) to support the income needs of survivors and the expenses associated with settling the estate. The right life insurance protects against this.

Are you aware of how various taxes will apply to your estate?

Different jurisdictions have their own transfer and death taxes, which can be onerous. Find out what your local situation is by asking your Sagicor Advisor.

Do you have a Will that specifies beneficiaries for your personal property and other assets?

It is wise to have a lawyer assist you with creating your will. Even the most simple estates require careful and informed planning. Your Will can include legacies, bequest and more.

Have you obtained the permission of, and assigned an executor and trustee for your estate?

It is an honour to be asked to be an executor, but it can also be a lot of work and bears some legal liability. So choose someone you trust, and be sure to ask their permission first. For more complex estates it is wish to allocate an amount of money that the executor can spend in fees to retain some administrative support.

Does your Will name a guardian for your children if both you and your spouse are deceased?

This is an essential part of your estate planning. Be sure to obtain the guardian's permission and consider setting up a trust in your children's names to be administered by the guardian, with your executor as trustee, so that they are not saddled with the cost of raising your family.

If you are part of a business partnership, do you have the required buy/sell agreements in place to ensure a smooth transition?

If you are part of a professional partnership or business partnership you should have agreements in place regarding what happens to your shares after your death.

TIP: Do not store your Will only in your safety deposit in box. These boxes may be sealed on death and can cause significant delay in dealing with your estate. A copy may be kept in a home safe with your other important documents or with the Executor or Spouse.

Leaving an Inheritance

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