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After a long cold Winnipeg winter it is a wonderful feeling to open up the windows and let the fresh air in.

Spring is a great time to refresh the mind, spirit, and body. Try a new activity, reconnect with an old friend, get out and enjoy the sunshine.

Does your financial plan also need a refresh? If so be sure to get in touch to book your financial planning update and review meeting.

CLEARANCE CERTIFICATE FOR AN ESTATE

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In order to protect the Canada Revenue Agency's (CRA) ability to collect income taxes owing, the Income Tax Act contains a provision that requires an estate's executor/ executrix or administrator to

Upcoming Events:

**Business Owners Luncheon -
Tuesday, March 27th, 2018
Tips and Traps:
Recent trends in Will Planning**

apply for a clearance certificate from the CRA before distributing assets from the estate.

Failure to obtain a clearance certificate leaves the executor personally liable for any outstanding income tax liability that the CRA cannot collect from the estate that otherwise would have been available.

A clearance certificate certifies that all amounts for which the estate is liable under the Income Tax Act have been paid or adequate security has been posted. In determining the amount of the liability, the executor is responsible for the actual income tax liability as calculated plus the liability that could reasonably be expected. The liability would include the actual income taxes owing, plus any interest and penalties that may apply.

An estate representative requests a clearance certificate by filing CRA form TX19, Asking for A Clearance Certificate. The form requires an extensive amount of information including, for example:

- Details about the deceased's identity - full legal name, social insurance number, date of death and last address of the deceased;

- Documents to support estate distribution instructions - complete and signed copy of the taxpayer's will, including any codicils, renunciations, disclaimers, and all probate documents, if applicable;
- The document appointing an administrator if the taxpayer died intestate (without a will);
- Documents to substantiate who has authority as the estate's legal representative;
- Details of all assets that were owned by the deceased at the date of death – lists of assets held personally by the deceased as well as assets held jointly, registered retirement savings plans and registered retirement income funds. Even though some assets may pass to heirs by way of joint ownership or beneficiary designations, these assets are still required to be included in the list provided to the CRA. The application requires each asset's fair market value and adjusted cost base as of the date of distribution from the estate;
- Details about distributions made and proposed from the estate;
- Details about all beneficiaries receiving property other than cash - names, addresses, and social insurance numbers; and,
- Authorization if the CRA is to communicate with someone other than the estate's legal representatives – include completed Form T1013, Authorizing or Cancelling a Representative.

If after receiving a clearance certificate the executors discover another asset, they must file for another clearance certificate in respect of the newly discovered asset. This process ensures that the CRA has full knowledge of an estate's tax liabilities, details of the estate's assets and is fully aware of beneficiary details. The clearance certificate is an important part of being

an executor. The process is detailed and may require extensive research into the affairs of the deceased and the beneficiaries of the estate.

This article was written by Deborah Kraft and Jim Kraft and was published in the 292-2015 issue of COMMENT. Posted with permission from the Financial Advisors Association of Canada (Advocis) and The Institute for Advanced Financial Education.

This commentary is published by The Institute in consultation with an editorial board comprised of recognized authorities in the fields of law, life insurance and estate administration.

The article is not intended to provide legal, accounting or other advice in individual circumstances. Seek professional assistance before acting upon information included in this publication.

Congratulations to Juana Baldwin on successfully completing the Elder Planning Counselor (EPC) Program and earning her designation



“Studies show that seniors want advisors who understand their life issues, alternatives and concerns, which respect their circumstances and experiences and can accommodate their physical and health needs. The EPC is the Canadian professional development standard for elder education,” says Thomas Miller, President of CIEPS.

Achieving this designation is a distinguished career milestone, attained only by those who have demonstrated proficiency in all relevant programs about seniors' issues, including aging, health issues, financial planning considerations, long term care as well as end of life issues. This makes the “EPC” graduate a valued counselor to seniors, regardless of the service or product they provide.



This is definitely a “stage of life” comment as I turned 70 recently. My most recent reading experience was a book by Margaret Magnussun called “The Gentle Art of Death Cleaning”.

This topic runs the risk of being quite depressing, but in fact was a very interesting and thoughtful read. This is something that will need to be done by all of us at some point in time, whether it is for our parents or ourselves. It comes down perhaps to how you want to be remembered as well as who do you really want to have to deal with all of your “stuff”.

HOLIDAYS & BUSINESS TRAVEL

Office Closed:

- Victoria Day – Monday, May 21st, 2018
- In Lieu of Canada Day – Monday July 2nd

David Vacation

- April 26th – 30th, 2018

Business Travel

- David in Toronto May 10th – 16th
- David and Juana in Alberta June 20th – 23rd
- David and Juana in BC June 25th – 30th

Both David and Juana are always happy to meet with new people and provide a second opinion on their current financial strategies. Do you know someone we can help? Have them give us a call!

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As you and your parents age you may have different views on eldercare.

When it comes to our parents, often siblings squabble over what is best for mom and/or dad. It's a common story; an aging parent who has multiple children and one child seems to assume the brunt of the care. The siblings can't agree on whether to hire extra care givers or even who will pay for it. Where they will live and who will help out as help may be needed.

The best solution is to have a family meeting with your parents while they are still able to discuss their wishes. Do they have a will in place, are their power of attorneys and health care directives reflective of their wishes? Let your parents guide you so you can support them through future life transitions.