



## LET'S TALK ABOUT YOUR ESTATE OF MIND

You likely have a household balance sheet, insurance coverage and a will. These are important estate planning needs. What's also critical is to name an executor and consider powers of attorney\*. These roles can end up being just as important as your family doctor or your accountant—and considering who should take them on is a key decision.

Let's examine why having the right executor and formal powers of attorney are important for your estate plan.

### Doing what needs to be done: The role of the executor

Being an executor is not an easy job, and it's not a role that many people would really want, if they knew how complicated it could be. It puts a lot of emotional weight on someone's shoulders. And it will take up a lot of their time—typically 18 months or more.

Your executor's core responsibilities are to identify all estate assets and convert them as necessary. Your executor must keep detailed records of all assets and transactions, and deal with the estate's liabilities. They then must manage and distribute what's left according to your will. You see how important this is to your estate plan—if your executor can't do their job effectively, your wishes may not be fulfilled, and your family, friends and charities of choice may suffer as a result.

It might be best for all concerned to have a trust company, like [CIBC Trust](#), act as executor or agent for executor. The professional experience and continuity of a corporate executor may be the best solution.



Your executor will need to display a certain degree of emotional intelligence, as they may have to manage the complexity of your family's dynamics. Help your executor by talking to them about your estate plan. It may help to involve your family.

### What to do if you're asked to be an executor

You may experience the complexities yourself if a friend or family member asks you to be an executor. It's a serious job, and there are two important questions to consider:

*Do you have the time?*

There will be some weeks when your executor duties may consume a lot of your free time to meet with family, lawyers, banks, etc. If your work and family are already eating up your time, you may not be able to perform your duties as executor. If you're an executor for a person who lives far away, travel may add hours to your already busy schedule.



*Do you have the emotional strength?*

Not everyone is prepared to be an executor for someone close to them, such as a parent or sibling. In situations like this, it may be extremely difficult to maintain your objectivity when it comes to the deceased's wishes...or lack thereof. Will you remain objective?

### **The powers that be: Understanding powers of attorney**

While your will provides for your beneficiaries after you pass away, powers of attorney plan for the management of your finances, including if you become incapacitated. Powers of attorney allow you to name another person (your "Attorney", but not necessarily a lawyer) to make decisions on your behalf. You can select anyone of legal age, or even a corporation such as a trust company, to be your attorney. There are two types of power of attorney:

#### *Power of attorney for property*

This gives someone else the legal ability to deal with your financial affairs, including your finances, home and possessions, based on its terms.

#### *Power of attorney for personal care*

This authorizes someone to make health and medical decisions on your behalf in case of your incapacity. It also lets you determine the type of care you may, or may not, want.

It's important to choose the right person to be your attorney as there are many "hands-on" decisions to make. Someone who is unprepared or incapable of making difficult decisions could hinder your plan. You should choose someone who:

- *Is financially literate* – there are many financial tasks involved, such as paying bills, managing budgets and investments, selling property, filing tax returns, etc.
- *Lives nearby* – attorneys will likely have to meet with your family members and your financial team, including financial advisors, lawyers and accountants
- *Will remain objective* – for example, a child may have too much at stake financially and emotionally to make the right decisions regarding your wishes

A trust company, like CIBC Trust, may be the right choice to be attorney or to act as agent for attorney.

Estate planning can sometimes be difficult and complex to discuss. Alongside the experts at CIBC Trust, we can work through the planning process together. A plan, based on thoughtful advice, can help achieve your goals, and provide confidence and peace of mind. By taking an objective approach and being proactive, you can do the best to have your wishes met and your assets and loved ones protected.

*We can help you at every step of the estate planning process. If you have any questions, please give us a call.*

*"In Quebec, a Power of Attorney is also called a Mandate and the Attorney is called the "Mandatary." The person who administers the estate after your death is called the "Liquidator."*