

	<b>BUCKET #1</b>	<b>BUCKET #2</b>	<b>BUCKET #3</b>	<b>BUCKET #4</b>	<b>BUCKET #5</b>	<b>BUCKET #6</b>
<b>Bucket Description</b>	Assets in Joint Ownership with Right of Survivorship (that should be documented as such so as not to be considered a "joint tenants in common" ownership)	Investments With One or More Named Beneficiaries	Real Estate (Not in Joint Ownership)	Bank Accounts and Investments (Not in Joint Ownership)	Personal Effects, Vehicles, Watercraft, Business Interests, Investments Not Involving A Financial Institution, Some Life Lease Residences (Not in Joint Ownership)	The estate trustee is legally the only person who makes all decisions regarding funeral arrangements - it is SO helpful to have a documented (not necessarily contracted) pre-arrangement file started (either funded or unfunded) with a funeral home so that the deceased's wishes are known and will be followed. Sometimes this alone is a primary reason to have a will.
<b>What happens at death?</b>	Asset automatically transfers to the surviving joint owner and then moves to bucket 3, 4 or 5	Asset is automatically paid out to the named beneficiary or beneficiaries and then moves to bucket 3, 4 or 5	Will go into the Estate and through the will	Will go into the Estate and through the will	Will go into the Estate and through the will	Typically prefer not to put funeral arrangements detail in the will but in a separate file with a funeral home of choice which allows flexibility for making changes without having to change the will.
<b>Will this be subject to Ontario Estate Administration Tax?</b>	No	No	Yes	Yes	YES if the person only had one will or NO if the person had these assets isolated in a secondary will	N/A
<b>Common Examples</b>	Joint bank accounts, real estate, investments	RRSP, RRIF, LIF, Life Insurance, TFSA, Pension Plan Death Benefits	Principal Residence and any other secondary properties. May have to give special consideration to any properties located outside Ontario.			

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 Bucket #1 and #2 pass OUTSIDE the estate while
   
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 Buckets #3, #4 and #5 pass THROUGH the estate and THROUGH the will

## BUCKET #1

## BUCKET #2

## BUCKET #3

## BUCKET #4

## BUCKET #5

## BUCKET #6

### Less Common Examples

Investments that are available only from a Canadian Life Insurance Company that allow the naming of direct beneficiaries (can be segregated funds or term deposit like products) We often call these products "mini wills". For widows and widowers we often recommend setting up a nominal contract with the proper beneficiary designations so that the structure is in place to allow non-registered assets to be sold and transferred into this account if health starts to decline as a strategy to eliminate Ontario Estate Administration Tax (when this is appropriate). Assumption Life allows this strategy to be used to age 105 and their interest rates are reasonable [www.assumption.ca](http://www.assumption.ca)

Beware of opportunities to escape Estate Administration Tax if real estate in the estate is the first dealing of title since conversion from registry to land titles in the jurisdiction of the property location

Joint ownership with right of survivorship ownership should be evidenced by something in writing. Otherwise the Ontario government position could be that it was more of an arrangement like a power of attorney and it would then be subject to Ontario Estate Administration Tax. Great care should be taken before any parent puts assets in joint ownership with children as in most cases it is a bad idea.

These types of investments should be set up to have both a primary and a secondary beneficiary designation to cover off the possibility of a common disaster occurring

With dual wills, a personal effects memorandum clause would be included in the excluded properties secondary will. There would also be wording to allow an excluded property to be passed from the secondary will to the primary will if there was a need to do so without tainting the remainder of the secondary will assets.

A written funeral arrangements file will also protect the executor from possible criticism of "having spent too much" or "not having done what Mom would have wanted".

### Comments