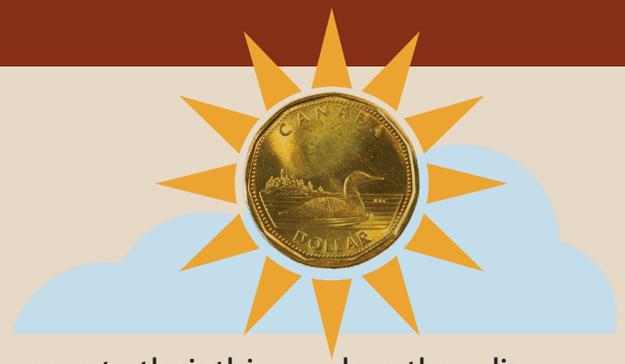


Estate Planning



While nobody wants to spend time thinking about what happens to their things when they die, like planning for any other life event, it is a necessary activity. The two primary risks of not leaving clear instructions is an estate related family feud and your estate not being settled as you would like it to be. The items you'll deal with in the Estate Planning realm include powers of attorney, pre-arranged funerals, wills and insurance. Essentially you'll be providing authority and instructions for your affairs when you are no longer able through death or disability.

Powers of attorney are effective when you are still alive but unable to look after your affairs yourself.

You are giving someone the legal ability to act in your place. It is important that the person you choose to give these powers to be someone you trust and who is financially independent from you. This is a step in protecting yourself in the future from misused powers of attorney that can lead to financial abuse.

A Pre-arranged funeral plan is an agreement between you and a licenced funeral provider (a funeral home) to buy funeral services or merchandise for yourself or a loved one before you need it. A pre-arranged plan can protect you from price increases by securing goods and services at the current rate. What expenses are included depends on the plan you purchase. These plans are different from insurance. Having the details of the type of service you'd like to have pre-arranged can be a helpful to family members going through an emotionally difficult time. There are laws in place in New Brunswick to protect you when buying a pre-arranged funeral. These laws ensure your money is placed in trust until the services are needed. For more information about your rights and protections, contact the Financial and Consumer Services Commission of New Brunswick (www.fcnb.ca or 1 866 933-2222).

Your Last Will and Testament is the critical piece of your estate plan.

In this document you appoint the person or organization who will act as your executor and you identify who will get what portion of your assets. If you do not have a last will and testament (known as dying intestate) the Provincial government decides for you.

Insurance can play an important role in your estate planning.

Life insurance can help your family maintain their standard of living, pay off debts, or cover final expenses such as funeral costs. For more information about types of insurance, see our Insurance tip sheet. Speak with your financial adviser to determine if and what type of insurance should play a role in your estate planning activities.

Check out other great financial literacy tips at our members' websites.
Find us online at www.FCNB.ca/FEN