

...talking **about** money®

Estate Planning: Sharing the information

A 1997 Environics Research study found that more than one third of Canadians avoid discussing money matters with their families. Indeed, for many, money is on par with sex as a taboo subject. One of the more difficult financial discussions is estate planning. No one likes to contemplate his or her death or the death of a loved one.

Ruth Berry's story

Ruth Berry is dean emeritus of the faculty of human ecology at the University of Manitoba. She has taught family finance and family money management. She also has a background in psychology. Her father, Harry, was a former corporate executive. You'd think that two people like this would be able to have frank discussions about money.

"My dad and I had a wonderful relationship," says Ruth, "and we could talk about anything." He had a will and was well organized with his papers and records, but I had no idea if he had enough money to keep himself in a nursing home if it was needed – and secondly, whether I would have to contribute to his care and that of my mother, who had been in a nursing home for several years.

"Somehow I just couldn't ask him that, and he did not volunteer the information. Just to know that he had enough savings to cover the worst case scenario would have been comforting to his children – but we did not want to appear overly inquisitive or desirous of his resources," explains Ruth.



People's situations vary. Some, like Ruth, know there is a will but don't know whether the parent has \$5 or \$5 million in savings and feel if they raise the subject, their parents could think they are simply grabbing for their share of the inheritance. Others don't even know whether there is a will, let alone a full estate plan. Parents don't keep this information a secret to be difficult. It is usually because they have always thought of money as a private matter and to them, it always will be.

Breaking the ice

Difficult as it is, if you don't talk about your wishes and intentions, there is no way for those you leave behind to be sure they are acting according to your wants. Sharing the information can also prevent costly last-minute legal and funeral bills.

Here are some ideas for starting the dialogue. Remember, sometimes it's easier for emotional conversations to be one-on-one. Siblings might want to designate one family member to follow through on the conversation. Parents might want to decide whether it should be mom or dad who brings up the subject with one of the adult children.

- **Listen for openings.** For instance, if an adult child says something like, "I really love that necklace," his or her parent could say, "I'd like you to have it when I'm gone." Use it as an opener and then move on to talk further about other aspects of the estate plan.

If a parent says something like: "This old silver, I think I'll sell it," it could likewise indicate a desire to talk about what is going to happen to family heirlooms and other treasured pieces when the parent is gone.

- **Start the conversation.** Discuss your own plans openly. This gives you an opening to say: "What about your plans?" Initially, an adult child could say, "I don't need to know the details, I'd just like to know that you have a plan." The parent would then perhaps respond, "I want you to know that I do have an estate plan and sometime I'd like to sit down and discuss it with you. I want to make sure things are as clear and as easy as possible for you after I'm gone."

This type of conversation gets the ball rolling. A week or two later, it could get more detailed. An opener for the next level of conversation could be: "Remember last month when you told me you had a plan, well I've been wondering if I should know where you keep your important papers."

- **Be direct.** If you already have open discussions with your family, bring up the topic in a straightforward way. Say something like: "Mom/Dad, sometime I'd really like to have a discussion about your estate plans. I'm not being 'grabby.' I just want to make sure there are no misunderstandings about what your wishes are. What do you think?"

Key information you should share

You don't have to know all the details of someone's estate plan, but there are some things that are important to share.

- Where are the important documents (will, tax returns, bank and investment accounts, ownership papers, insurance papers, etc.) stored?
- Who is the lawyer, accountant, executor? Who is the guardian of the under-age children?
- Are there prepared funeral instructions? Where are they? Is the funeral prepaid? If not, are there any special arrangements that should be documented?
- Is there a power of attorney for personal property? This gives legal power to a person(s) to administer financial assets if the original owner becomes incapacitated before death. Is there a health care directives document?* This document empowers someone to make health care decisions if needed.
- If there are under-age children, information regarding the financial arrangements for these children needs to be shared. Does the guardian also have control of the children's inheritance? Child-rearing styles, religious training, schooling, general values, dreams, etc. for the children will also need to be discussed.

*Called "power of attorney for health care" in some provinces and also commonly known as a "living will."

Make it a regular discussion

Discussing estate plans is not easy, nor is it a one-time event. Changes happen – people divorce and remarry; guardians leave the country; executors die first – so review your estate plan regularly and keep your family and other key people up-to-date. Laws change sometimes too, and it is a good idea to discuss any new laws that may affect your estate plan with a lawyer and your family.

About AIM Funds Management Inc.

AIM Funds Management Inc. (AIM) is part of the AMVESCAP group of companies, one of the largest independent money management firms in the world. AIM relies on the expertise of its worldwide network of investment professionals to bring you the world's premier investment opportunities. We recognize that financial and estate planning should be more than just choosing mutual funds and other investments. It should take into account all of life's possibilities, even though some can be very difficult to talk about.

We believe that talking about financial issues and taking control can ease the financial and emotional upheaval of losing a loved one.

We encourage you to talk to your financial advisor for help in developing a lifetime financial plan.

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Experts consulted

AIM would like to thank the following individuals for their assistance in preparing this material:

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AIM publishes a number of different materials to help families talk about money. For more information, please contact your financial advisor, call **1.800.874.6275** or visit **www.aimfunds.ca**

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