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We hope this booklet is helpful. If you have any questions, we advise you to contact a professional like a chartered accountant, certified financial advisor, or a lawyer.

For more information please contact:

**Hospice Peterborough**

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*Putting Your  
Financial Affairs  
In Order*

HOSPICE  
PETERBOROUGH



A helpful booklet for  
individuals and families  
living with serious illness.

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## ***What are the responsibilities of my survivors?***

The diagnosis of a life threatening illness is a traumatic event. This booklet aims to help the ill individual and the family plan the financial aspects of illness and death. While the booklet is addressed to the person who is seriously ill, it can also be useful for family members.

When you have a life threatening or terminal illness, you will have many worries. Financial matters may not be uppermost in your mind. However, making sure your affairs are in order can bring you some peace of mind as well as prevent frustrating and costly problems for your survivors.

### ***Help is at Hand***

Depending on your circumstances, financial planning can be fairly simple or very complex. You may feel you need to get some professional advice to make sure your assets help you while you are alive and your loved ones after your death. You may want to sit down with an advisor, such as:

- a certified financial planner
- a chartered accountant
- a lawyer

These professionals may charge a fee but this can be discussed during the initial contact.

Emotions may play a big part in any discussions. Try to remember that not everyone in a family may be ready to focus on the issues in this booklet at the same time. We encourage patience and sensitivity on everyone's part when dealing with these matters.

This booklet will try to answer the most commonly asked financial questions, which we have grouped into four sections:

- How do I cope financially during the illness?
- What plans should I make in case I cannot make decisions for myself?
- How do I plan for the transfer of my assets?
- What are the responsibilities of my survivors?

To deal with financial affairs after your death, your survivors will have a lot of paper work to do. All the forms can be confusing, even irritating. The more your survivors know about what to expect and the more help they can get, the easier the first few weeks will be for them.

The executor named in your will (or your survivors) is responsible for your estate from the moment of death. The list of duties is extensive so you may want to appoint a secondary executor in case your primary choice is unwilling or incapable of performing the task. The duties are:

- To arrange for funeral services and burial. Many families find it helpful to plan and pay for the funeral ahead of time. A traditional funeral can cost between \$8,000 and \$10,000 so your survivors will need to be aware of this expense. Alternative arrangements can be less costly. What ever you decide it is best if you can talk with your family about what arrangements would be most acceptable to everyone. If you are a veteran, an inquiry can be made to the local office of Veterans' Affairs Canada (705-750-4850) or (1-800-668-5308) to discover if your estate is eligible for funeral grants.
- To gather financial documents
- To file for "probate" (certification that the will is valid). Following probate the executor is authorized to transfer and distribute assets.
- To confirm liability for debts, and to provide for the continuation of payments that are the obligation of the estate
- To file a terminal tax return. It is important that the due date for this return is known. There may be several different types of tax returns that will have to be prepared.
- To fill out any necessary forms, (Canada Pension, Old Age Security, OHIP and life insurance benefits)
- To distribute specific personal possessions to named beneficiaries.

Fortunately, help is available. A professional advisor, lawyer or funeral director would be able to help your executor or survivors. Don't hesitate to ask for assistance.

## Your Financial Assets

( RRSPs, RRIFs, Bonds, Stocks, Mutual Funds & Real Estate)

Access and liquidity are important at a time when changes are happening quickly. You may want to be able to access your capital quickly. Be cautious about making long-term investment decisions at this time.

You may wish to consider joint ownership of a small portion of your investments, property and bank accounts in order to facilitate the easy transfer of ownership after your death. However, it would be wise to consult a professional as taxes may be triggered by this change.

Life Insurance and Registered assets such as RRSPs and RRIFs allow for the designation of beneficiaries. Make sure that you check who the listed beneficiaries are and make changes if you wish to do so.

It is very helpful for your Power of Attorney/executor to know where to find your list of assets. Gather all financial documents and prepare an inventory of assets, investments and debts. The list should include bank accounts including the bank, branch and account numbers, RRSPs, RRIFs, pensions, insurance policies, where all these documents are stored, as well as where the key to your safety deposit box is located.

Another list could include personal items such as furniture, jewelry or art that you would like to be distributed to particular individuals. This can save time and aggravation and allow your affairs to be administered efficiently and effectively.

Different financial institutions have different rules about releasing funds from an account after a death, even if the account is held jointly. Some institutions require a death certificate, others do not. It will be helpful to know the requirements beforehand.

Your estate may be larger than you think and may attract greater taxes at your death than your survivors might expect. When you draw up your will, make sure your lawyer and accountant or advisor knows all about your assets. The advice of a tax expert when drawing up your will can minimize the taxes paid after your death. However, remember that your own needs and the needs of your survivors should come before any over zealous tax planning.

## How do I cope financially during my illness?

During a prolonged illness, there may be unexpected and sizeable strains on the family's financial resources. **Income** may be reduced because you or your family caregivers, or both, are unable to work. **Expenses**, because of the illness, may increase.

It is a good idea to look at the following potential resources shortly after your diagnosis. It is in everyone's best interest to accumulate all of this information as early as possible for your comfort and the comfort of those around you.

1. **Medical Insurance:** make sure you are taking advantage of any coverage you may have through a group medical insurance plan. There are some extensions available through Group Medical Coverage. Your employer or insurance agent should have details.
2. **Sickness/Disability Benefits:** both the Federal and Provincial governments offer some disability coverage. These are funds that may be made available while a person is unable to work because of a severe or terminal illness. Applications are available through both the Federal and Provincial governments.

### Income & Security Programs

Human Resources Development Canada

(CPP disability can be fast tracked in 48 hours if the envelope containing the physician reports & forms is marked URGENT. It helps to deliver the envelopes in person to HRDC & make them aware of the URGENT status)  
185 King Street West, #100, Peterborough, ON, K9J 2R8  
1-800-277-9914

### Ministry of Community, Family & Children's Services

#### Ontario Disabilities Support Program:

360 George St. North, 2<sup>nd</sup> Floor, Peterborough, ON, K9H 7E7  
1-800-663-8560

For immediate financial assistance contact:

#### Peterborough Social Services - Ontario Works Program

178 Charlotte Street, Peterborough, ON K9J 2T7  
748-8830

(People who qualify for ODSP or Ontario Works can receive a drug card to help with prescription drug expenses)

There may also be short-term or long-term disability in effect at your place of employment.

3. **Ontario Drug Benefits Program:** Individuals & families facing unmanageable prescription drug expenses can receive support:  
**Trillium Drug Program: those under 65 can apply**  
**Senior's Drug Program: people over 65 receive this automatically**  
1-800-268-1154.

4. **Tax Credits:** The federal government provides medical expense tax credits & disability tax credits for taxpayers with higher than average medical expenses. Keep all your medical expense receipts. For info about criteria for obtaining these credits call:  
**Canada Customs & Revenue Agency - 1-800-959-8281**
5. **Life Insurance:** Under certain circumstances, advances can be made under your life insurance policy. Contact your insurance agent.
6. **Reverse Mortgage:** Under this plan, some of the equity of your home can be accessed in order to meet some of your present and future financial needs. Make sure the implications of this option are well explained and well understood. Talk to your loan officer, mortgage broker or financial planner.
7. **Your Savings and Assets:** Dipping into your savings, or selling an asset, may seem a quick and easy solution to your immediate financial needs, but you should remember that you may have set aside these assets for specific purposes. Also, there could be tax consequences to your actions, depending on the form of your savings held or the sale of an asset. It is recommended to get professional advice on how much can be withdrawn without jeopardizing your original goals too greatly or paying the taxman a sizable portion.
8. **Credit Counselling:** If an ongoing illness has placed a huge financial burden on your family and you need assistance meeting your financial obligations help is available from

**Community Counselling & Resource Centre  
Credit Counselling Division**

351 Charlotte St., Suite 203 Peterborough K9J 2W1  
(705) 742-1351

### ***What plans should I make in case I cannot make decisions for myself?***

A time may come when you are too ill to make decisions. In Ontario the **Substitute Decisions Act** says that you can choose some one in advance to make decisions for you when you are no longer mentally or physically capable. Giving someone a **Power of Attorney** is a very serious matter and you should choose your substitute decision maker carefully. Think about a family member or a friend you trust or a professional. But remember, if you don't make a Power of Attorney, a guardian may have to be formally appointed if the decisions involve matters other than medical treatment.

The Law covers two areas of decision making - decisions about property or finances and decisions about personal care.

#### **1. A Power of Attorney for Property**

A Power of Attorney for Property authorizes a specific individual to make decisions about your financial affairs, including not only real estate

property, but also all other financial matters such as paying bills, your bank account, your stocks and shares, etc.

#### **2. A Power of Attorney for Personal Care**

A Power of Attorney for Personal Care authorizes a specific individual to make decisions about your health care. You can choose what areas of care the attorney has authority to make decisions about. These categories include health care, housing, safety, hygiene, clothing and nutrition. The attorney also will have first right to give or refuse consent to your medical treatment if you cannot do so. Hospice Peterborough has a number of booklets in its library to explain this in more detail.

Further explanations of Powers of Attorney can be obtained through your lawyer or through

**Office of the Public Guardian & Trustee**

595 Bay St., Toronto, ON M5G 2M6

(416) 314-2800

1-800-366-0335

### ***How do I plan for the transfer of my assets?***

#### **Your Will**

The primary vehicle for transferring your assets after your death to the person or persons you want to receive them is your will. A will is simply a legal document in which you describe how you want your assets to be distributed. It is advisable to have a lawyer help you draw up a will, but it is possible to write a will on your own. You may want to appoint an executor to carry out the terms of your will. This person should have a copy of the will. The more complex your affairs are, the more important it is for a lawyer to clarify your intentions. Make sure your will is current. It is advisable to read your will every year and have it reviewed by your lawyer every five years.

If you have dependents it is also important to clarify who will be responsible for their care. Also inform your next of kin of the location of your will.

If you die without a valid will, the Province of Ontario will step in to distribute your assets in accordance to provincial intestate succession legislation. Not only is there the risk of an inappropriate division of property, with some intended beneficiaries possibly receiving nothing, but the legislation will not take into account the tax consequences of its schedule of distribution. Involving the Province will also create further delays in the settling of the estate.