

Canada Life

NATIONAL ESTATE AND TAX PLANNING GROUP

Tax and Estate
Planning Fact-finder

Fact-finder

THE FACT-FINDER IS A TOOL DEVISED TO PROVIDE A DETAILED SUMMARY OF EACH OF THE KEY AREAS NECESSARY TO EFFECTIVELY CREATE A BUSINESS SUCCESSION PLAN, ESTATE PLAN AND RETIREMENT PLAN THROUGH INSURANCE AND INVESTMENT MEDIUMS THAT WILL MAXIMIZE TAX ADVANTAGES.

THIS TOOL HAS BEEN CREATED BY CANADA LIFE'S NATIONAL ESTATE AND TAX PLANNING GROUP TO MAKE THIS OFTEN COMPLICATED PROCESS AS SIMPLE AS POSSIBLE. THE NATIONAL ESTATE AND TAX PLANNING GROUP IS A RESOURCE THAT YOU CAN ACCESS WHEN YOU ARE INVOLVED IN A CASE THAT REQUIRES THE EXPERTISE OF AN ESTATE AND TAX LAWYER OR ACCOUNTANT. SIMPLY CALL YOUR LOCAL RMC CONTACT AND THEY WILL REFER YOU TO THE NATIONAL ESTATE AND TAX PLANNING GROUP MEMBER IN YOUR AREA.

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Personal Information SECTION I

OBJECTIVE

TO COLLECT RELEVANT PERSONAL INFORMATION NECESSARY TO PLAN AN ESTATE OR BUSINESS SUCCESSION STRATEGY FOR A CLIENT.

PERSONAL DATA

Client's name	Birthplace
Birthdate/age	Phone
Fax	E-mail
Residence address	Citizenship

FAMILY DATA

Spouse's name _____

Birthdate/age _____ Birthplace _____

Marriage date _____ Marriage contract? (Please provide copy) _____

Spouse's occupation _____

Spouse's future plans (employment, family, etc.) _____

Children	Birthdate/age	Birthplace
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Do you plan to have (more) children? _____

Previous marriage(s)? _____ Children of previous marriage(s)? _____

Spousal support? _____ Child support? _____

Separation agreement? (Please provide copy) _____

Business SECTION II

OBJECTIVE

TO DEVELOP A DETAILED SUMMARY OF THE CLIENT'S BUSINESS WITH ALL OF THE PERTINENT INFORMATION THAT MUST BE CONSIDERED WHEN DEVELOPING A BUSINESS SUCCESSION STRATEGY. IT COVERS AREAS SUCH AS: OWNERSHIP ARRANGEMENTS; MANAGEMENT INFORMATION; COMPANY ADVISORS; ORIGIN AND PURPOSE OF THE BUSINESS; ANY INVOLVEMENT IN OTHER BUSINESSES; FAMILY INVOLVEMENT IN THE BUSINESS; THE FINANCIAL POSITION; AND KEY PERSONNEL PROTECTION AND BENEFITS.

TO WORK THROUGH AND DEVELOP A BUSINESS SUCCESSION PLAN THAT IS BEST SUITED TO YOUR CLIENT'S NEEDS.

A. Business Information

Name of business _____

Address _____

Phone _____ Fax _____ E-mail _____

Nature of business _____

Business structure Sole proprietorship Partnership Corporation Other (Specify) _____

Date of incorporation _____

Fiscal year-end _____

Number of employees: | Management | Office | Sales | Labour | Other

Are they unionized? _____

Is the business a family business? _____

MANAGEMENT

Pres. _____ Vice Pres. _____

Sec. _____ Treasurer _____

General Mgr. _____ Sales Mgr. _____

Prod. Mgr. _____ Controller _____

ADVISORS

Name _____ Address _____ Telephone _____

Accountant _____

Lawyer _____

Banker _____

Insurance agent _____

Financial/investment advisor _____

Do you generally consult with any of these advisors on financial decisions? Which ones? _____

BUSINESS ORIGIN

How was the business started?

Why did you get into this business?

OWNERSHIP OF BUSINESS

(Identify any relationships by blood or marriage)

Name	Position	Area of Expertise	Age	# of Shares & Type	Ownership %
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OTHER BUSINESSES

(Attach outline of corporate structures)

Do you own an interest in any other businesses?

Corporation's taxable income (amount/fiscal year)

Do you receive your income or salary/bonus, dividends or both from these businesses?

Annual income \$

ESTIMATE OF VALUE

What is the current value of the business? (*Lowest price for which you would sell the business*)

Has the value increased or decreased over the last 5 years?

FAMILY INVOLVEMENT

Are any family members (spouse, children, parents, brothers, sisters) presently active in the business?
If so, who? *(Describe their involvement)*

Do you have any plans to involve any (more) family members in the business?

FUTURE OF BUSINESS

What are your plans/projections for the business in the future?
(Sales, profits, growth, long range plan, expansion, etc.)

What is the projected rate of growth for the business?

Additional notes/comments:

FINANCIAL POSITION

Business Assets	Value \$	Cost/ACB
Bank accounts	_____	
Term deposits	_____	
Investment funds	_____	_____
Real estate	_____	_____
Equipment	_____	_____
Vehicles	_____	_____
Inventories	_____	_____
Accounts Receivable	_____	_____
Total assets	_____	
Business Liabilities		
Accounts Payable	_____	
Mortgages	_____	
Bank loans	_____	
Loans from shareholders	_____	
Deferred taxes	_____	
Total Liabilities	_____	
<i>(Determine if liabilities are life insured)</i>		
Shareholders' Equity	_____	_____

B. Business Continuation Planning

(I) BUSINESS LOAN PROTECTION

Does the business have any significant bank loans or other debts?

What are the terms of these loans? (e.g. *Can they be called at any time?*)

What type of security has the lender required for these loans?

Have you (or your spouse or co-owners) personally guaranteed any of these loans?

Is there anyone besides yourself who deals with the bank now?

Do you have any collateral insurance? Yes No

If yes:

Details (insurer, amount, plan)

Are the policies assigned? Yes No

Is the coverage adequate? Yes No

Are you satisfied? Yes No

Are you deducting the premiums? Yes No

If no:

Have you ever considered collateral insurance? Yes No

If you/co-owner/key employee died:

Would credit be restricted? Yes No

Would repayment of any loans be required? Yes No

Would your personal estate be liable? Yes No

(II) KEY PERSONNEL PROTECTION

Which people (owners, key employees) in your business have a significant impact on the current and future success of the business?

Name	Position	Age	Total Compensation

If they died or became disabled, could these people be replaced from within your current organization?

Yes No

How long would it take to find replacements?

What would be the loss of profits until replacements are trained?

Do you have any insurance on these key individuals? Yes No

If yes:

Details (insurer, amount, plan)

Is the coverage adequate? Yes No

Are you satisfied? Yes No

If no:

Have you ever considered key person insurance? Yes No

How would your business cover these costs?

(III) KEY PERSONNEL BENEFITS

Do you provide any selective incentive plans to your key personnel? (e.g. special benefits?) Yes No

Supplemental Pension? Yes No

Executive or Key Person Benefit Package? Yes No

(IV) BUSINESS SUCCESSION ON DEATH

How will your interest in the business be transferred on your death?

- (a) Retain the business in the family
- (b) Sell as a going concern
- (c) Liquidate the business

(Complete the applicable section below)

(A) RETAIN THE BUSINESS IN THE FAMILY**IF TRANSFERRED:**

To whom will the business be transferred? (spouse, spousal trust, child(ren), relative(s), others)

Does this person have any experience in operating the business? Yes No

Will a temporary or full-time manager be required? Yes No

For how long?

At what cost per year?

IF TRANSFERRED TO SPOUSE/SPOUSAL TRUST:

How will your spouse receive income (out of the business or otherwise)?

Will the business provide adequate financial security for your spouse? Yes No

To whom will the business be transferred on your spouse's death?

Will there be sufficient liquidity in your spouse's estate to pay the taxes realized on his/her death?

Yes No

IF TRANSFERRED TO CHILD/CHILDREN/RELATIVE:

How will your spouse receive income out of the business?

Will there be sufficient liquidity in your estate to pay the taxes on the disposition of the business realized on your death? Yes No

Is there one particular child who is best suited to run the business?

Do you plan to equalize the inheritance to your (other) children? If so, with what assets?

Do you have estate equalization insurance in place? If yes, please provide details.

Does your current Will reflect your wishes as to the transfer of your business?

Have you considered the implications of the family law legislation in this province for your Will or your buy-sell agreement?

Do your adult children have domestic contracts that deal with their interests in the business?

(B) SELL AS A GOING CONCERN

Is there a buy-sell agreement in effect?

- If yes, please answer the questions below
- If no, please advance to the **no buy-sell agreement** section on page 12

If yes:

How does it work? (Please provide copy)

When was the agreement signed?

When was it last reviewed?

What does it cover? (e.g. death, disability, retirement, etc.)

How will the price be determined?

Are you satisfied with it?

How is the agreement funded?

If insurance:

Details (insurer, amount, plan)

When was it last reviewed?

Is the coverage adequate? Yes No

Are you satisfied? Yes No

If no insurance:

Details

How much would your family receive on your death?

Are you satisfied with present funding arrangements? Yes No

Have you ever considered insurance funding? Yes No

Is your Will co-ordinated with the terms of the buy-sell agreement? Yes No

Have you considered the implications of the family law legislation in this province for your Will and your buy-sell agreement?

If no buy-sell agreement: *(continued from page 11)*

Have you ever considered a buy-sell agreement? Yes No

Who will purchase the business?

Do you want the purchase to be required? Yes No

How will the price be determined?

Where will the funds come from?

Would you want your spouse or your partner's spouse to become a co-owner of the business? Yes No

Will there be sufficient funds to pay income and capital gains taxes? Yes No

Do you want these taxes to reduce the proceeds received by your family? Yes No

(C) LIQUIDATE THE BUSINESS

Why would your business be liquidated on your death?

Would there be any significant loss in value on liquidation? Yes No

If no: Why not?

If yes:

What is your estimate of the reduction value shrinkage? _____

Would you want your estate to receive the going concern value? Yes No

Does your Will empower your executor to allow continuance of the business during the sale of the assets so as to permit an orderly liquidation? Yes No

(V) BUSINESS SUCCESSION ON DISABILITY

Would any problems arise if you/one of your co-owners became disabled? Yes No

What plans have you implemented to offset these problems? _____

Would you want to require the sale of the business interest if you or one of your co-owners becomes permanently disabled? Yes No

Is any disability insurance in place in respect of the owner(s) of the business? Yes No

If yes:

Details: (insurer, amount, plan) _____

When was it last reviewed? _____

Is the coverage adequate? Yes No

Are you satisfied? Yes No

If no:

Have you ever considered it? _____

How would your business survive if you or a co-owner became disabled? _____

Additional notes: _____

(VI) BUSINESS SUCCESSION ON RETIREMENT

Have you considered what will happen to the business and how you will continue to be remunerated on your retirement?

What plans have you implemented to deal with business succession on retirement?

Would you want to ensure that funding is in place to provide for your retirement without relying on the assets of the business?

Estate Planning SECTION III

OBJECTIVE

TO DEVELOP A DETAILED SUMMARY OF THE CLIENT'S FINANCIAL POSITION, FINANCIAL PHILOSOPHY AND ANY WILLS, TRUSTS OR INSURANCE POLICIES THAT CURRENTLY EXIST. THIS INFORMATION IS CRITICAL AS YOU WORK THROUGH AND DEVELOP AN ESTATE PLAN THAT WILL CONSIDER YOUR CLIENT'S UNIQUE FAMILY SITUATION AND NEEDS.

BUSINESS SUCCESSION

(Complete the section included in Business Continuation Planning on page 8)

FINANCIAL POSITION

	Client		Spouse	
	Value \$	Cost/ACB	Value \$	Cost/ACB
Assets				
Non-income producing assets				
Home	_____		_____	
Household & personal effects	_____		_____	
Car(s)	_____		_____	
Other real estate (e.g. vacation property)	_____	_____	_____	_____
Other	_____	_____	_____	_____
Total non-income producing assets	_____		_____	
Income-producing assets				
Business interests	_____	_____	_____	_____
Bank accounts	_____		_____	
Term deposits	_____		_____	
Bonds	_____	_____	_____	_____
Stocks	_____	_____	_____	_____
Mutual funds/investment funds	_____	_____	_____	_____
Mortgages	_____		_____	
Real estate	_____	_____	_____	_____
RRSP	_____		_____	
DPSP	_____		_____	
RPP	_____		_____	
Tax shelters (specify)	_____	_____	_____	_____
Other	_____		_____	
Total assets	_____	_____	_____	_____
Liabilities				
Mortgages	_____		_____	
Car loans	_____		_____	
Bank loans	_____		_____	
Line of credit	_____		_____	
Personal guarantees	_____		_____	
Other (credit cards, etc.)	_____		_____	
RPP	_____		_____	
Total liabilities	_____		_____	
Net worth	_____		_____	

Are these liabilities life insured? Yes No

Which of your assets are held jointly (if any) and with whom? _____

PERSONAL INCOME STATEMENT

	Client \$	Spouse \$
Salary	_____	_____
Commissions	_____	_____
Bonus	_____	_____
Dividends	_____	_____
Interest	_____	_____
Net rental income	_____	_____
Other income (specify)	_____	_____
Marginal income tax rate	_____ %	_____ %

FINANCIAL PHILOSOPHY

What is your philosophy on:

- Investment savings _____
- Reinvesting in your business _____
- Borrowing _____
- Tax minimization _____
- Expected growth rate on assets _____

INHERITANCES/TRUSTS

Are you/will you be a beneficiary under a Will or trust? Yes No When _____ Amount \$ _____

Is your spouse a beneficiary under a Will or trust? Yes No When _____ Amount \$ _____

If yes: Does this have any influence on your present and future financial planning? _____

WILLS

Client's Will

Do you have a Will? Yes No

When was your Will signed? _____

Date of last review _____

Spouse's Will

Does your spouse have a Will? Yes No

When was the Will signed? _____

Date of last review _____

WILLS (CONTINUED)

Client's Will**Spouse's Will**Estate distribution: Outright to spouse Yes NoEstate distribution: Outright to spouse Yes No

Alternate distribution

Alternate distribution

If not spouse, other distribution (details)

If not spouse, other distribution (details)

Other (details)

Other (details)

Executor(s)

Executor(s)

Where do you keep your signed Will and other important papers?

Does your Will appoint a guardian for your minor children (if any)? Yes No

Name

Address

Have you made any cash bequests to any person or organization? Yes No

If yes, provide details and funding:

If no, do you wish to make a bequest? Yes No

If yes, provide details:

Are you satisfied with present terms of your Will?

Do you have a separate Will(s) that deals with the disposition of your business(es)? Yes NoDo you have a separate Will(s) that deals with the distribution of non-Canadian property? Yes No

Additional notes:

PERSONAL LIFE INSURANCE

(client, spouse, children)

Insured	Insurer	Policy #	Beneficiary(ies)	Premium	Date Purchased	Amount	Death Benefit

When was the last time you reviewed these programs with an insurance advisor? _____

Are you satisfied with these arrangements? Yes No

Are you considering assigning such policy(ies) as collateral security for a loan? Yes No

GROUP LIFE INSURANCE, ASSOCIATION, PLANS, ETC.

Carrier	Amount	Policy #	Beneficiary(ies)	Premiums	Death Benefit

PERSONAL DISABILITY INSURANCE *(Do not include insurance for buy-sell purposes)*

Group disability coverage:

Insurer	(D/W/M)	(D/W/M)
Short term:	Exclusion period	Benefit period Amount \$
Long term:	Exclusion period	Benefit period Amount \$

Does the business pay any portion of these premiums? _____

Individual disability coverage:

Insurer	(D/W/M)	(D/W/M)
Short term:	Exclusion period	Benefit period Amount \$
Long term:	Exclusion period	Benefit period Amount \$

FAMILY SECURITY OBJECTIVES

Estate liquidity:

Will your estate have sufficient liquid assets to pay capital gains tax, probate fees, debts, final costs, etc. on your death? Yes No

What might these costs be?

Do you have a plan to cover these costs? Yes No

Have you purchased life insurance as a method of providing the liquidity necessary to cover these costs?
 Yes No

If no:

Why not?

If yes:

Details (insurer, amount, plan):

When was it last reviewed?

Is the coverage adequate? Yes No

Are you satisfied? Yes No

Retirement Planning SECTION IV

OBJECTIVE

TO UNDERSTAND THE CLIENT'S RETIREMENT GOALS AND ANY FINANCIAL PLANS CURRENTLY IN PLACE TO HELP REACH THOSE GOALS. THIS SECTION SHOULD BE USED IN COMPARISON WITH THE BUSINESS SECTION AND THE ESTATE SECTION OF THE FACT-FINDER TO ENSURE THAT THERE ARE NO CONFLICTS BETWEEN THE END GOALS AND THE INFORMATION GATHERED AND STRATEGIES DEVELOPED.

RETIREMENT OBJECTIVES

At what age do you want to retire? _____ To slow down? _____

How will your business interest be transferred on your retirement? _____

To what extent do you want to rely on your business for your retirement funding? _____

Do you plan or anticipate any changes in your lifestyle on retirement? _____

What percentage of your pre-retirement income would you require after retirement? _____

PENSION PLAN

Do you participate in a pension plan? Yes No

If no: Have you recently considered the benefits of a pension plan? _____

If yes: What type of plan is it? _____

Does your spouse participate in the plan? Yes No

Who is the beneficiary(ies) on your death? _____

Who is the beneficiary(ies) on your spouse's death? _____

RETIREMENT PROGRAM

Have you considered or put in place a supplemental pension arrangement, (e.g. a Retirement Compensation Arrangement) for yourself? _____

REGISTERED RETIREMENT SAVINGS PLANS

Do you contribute to an RRSP? Yes No

If no: Why not? _____

If yes: Annual contribution _____

Maximum contribution allowed _____

Registered Retirement Savings Plans (continued)

If yes:

Details of the plan (institution, maturity date, interest rate, etc.)

Estimated current value

Beneficiary(ies) in the event of your death

Is it creditor proof? Yes No

Spousal RRSP

Does your spouse have an RRSP? Yes No

If no: Have you recently considered the benefits of a spousal RRSP?

If yes:

Spouse's annual contribution

Your annual contribution

Details of plan

Estimated current value

Beneficiary in the event of your spouse's death

Is it creditor proof? Yes No

NON-REGISTERED SAVINGS AND INVESTMENT PLANS

Do you have any other savings programs in place? (e.g. RESPs) Yes No

If no: Why not?

If yes:

What is the nature of the program?

Annual contribution

Estimated current value

Does your spouse have any other savings programs in place? Yes No

If no: Why not?

If yes: What is the nature of the program?

Annual contribution

Estimated current value

DOCUMENTS:

To ensure that recommendations are based on complete and up-to-date information, obtain a copy of all relevant documents:

DOCUMENT	RECEIVED	RETURNED
Will(s) - client		
- spouse		
- others (names)		
Marriage contract		
Separation agreement		
Financial statements		
(for 2 years)		
Buy-sell agreement		
Employee benefits booklet		
Insurance policies		
- policy numbers		
Pension plan statements		
RRSP statements		
Income tax returns		
(for 2 years)		

Additional notes:
