

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.

Table of Contents

PERSONAL INFORMATION	2
BUSINESS OBJECTIVE	4-14
A. BUSINESS INFORMATION	4-7
B. BUSINESS CONTINUATION PLANNING	8-14
ESTATE PLANNING	15-20
RETIREMENT PLANNING	22-23
DOCUMENTATION RECORD	

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 %
------	----------	-------------------	-----	--------------------	-------------

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 equilization 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?
