"Leave a Legacy" Case Study for Advocis Spring Sales Congress, May 19, 2005

Mary, 78, has been a widow for 8 years. She resides in a seniors' assisted-living apartment building in downtown Saskatoon. She is undergoing chemotherapy treatments. Mary dreads the idea of moving into a nursing home.

To simplify her estate Mary registered the title to the family cabin, worth $100,000, at Turtle Lake in joint names with three of her adult children, Anthony, Brenda and Charles, with right of survivorship. She did that right after her husband died in 1997. The cottage has a $40,000 Adjusted Cost Base as a result of elections on their 1994 income tax returns.

Mary has designated the same three children as beneficiaries of her $500,000 RRIF. Much of the RRIF money is invested in international equities through a segregated fund.

Her fourth child, David, age 40, is a dependent adult with special needs. David lives in a group home in Saskatoon and receives $10,000 per year from social assistance. David's mental condition means that he qualifies for the disability credit. Mary has named David as sole beneficiary of her universal life insurance policy with a $200,000 face amount. Mary is concerned about the rising insurance premiums but she does not dare drop the policy now with her health in decline.

Mary's oldest child, Anthony, 53, resides in Alberta and earns a salary of $100,000 a year. He recently separated from his wife. Anthony's discussions about custody and child support arrangements for his five children have been acrimonious. Anthony is concerned that anything he would inherit from his mother might have to be divided with his soon-to-be ex-wife. His younger siblings, Brenda and Charles, usually end up arguing with Anthony whenever he and his family come over for a visit or at family gatherings. A frequent source of friction is his fondness for holding parties for his fishing buddies in the family cottage every long weekend. Unfortunately, Anthony never seems to have time to clean up the cottage after his parties. Mary is tired of her children's wrangling and has threatened to sell the cottage.

Brenda, 47, is a divorced mother of two teenagers. She works in an art supply store in Saskatoon. Brenda's children have always been very helpful by running errands for Grandmother Mary. Brenda has been living common-law with Edward for the past 5 years.

Mary gave Brenda her Power of Attorney using a form that she bought in a stationery store in 1996. Mary cosigned a $100,000 mortgage for Brenda to buy a house near her senior's residence. A couple of times Brenda has needed to borrow funds from Mary to make her mortgage payments. A few years ago Mary also loaned Brenda $20,000 to buy a new car. Mary is the subscriber of a family RESP, now worth $40,000, of which Brenda's two children are the designated beneficiaries.

Mary's son, Charles, 43, is a senior executive for an export company based in Saskatoon and frequently travels around the world. Charles is happily married with two young children. He has an annual income in excess of $100,000.

In her will, Mary has appointed Charles as her executor. Mary's will includes a $10,000 bequest to her favourite charity because of the good work it does to relieve poverty in Africa. After that, she has divided everything equally among her three children -- all except David. Mary would like to make sure that her children's inheritances are not going to her children's ex-spouses through property division on divorce. She would rather see her grandchildren receive the capital if anything happens to her children.

After Mary sold her home in 2001 she invested most of the sales proceeds in a portfolio of hybrid structured income products. Since her late husband had always been the money manager in their household, Mary does not really understand much about investments. She cannot tell the difference between a mutual fund and an income trust. But she likes her financial advisor, Garth Vader, who has promised her steady, stable returns, 100% principal protection and low volatility plus tax minimization. Actually Mary lives quite comfortably on her Old Age Security and Canada Pension plus her RRIF withdrawals. In fact she has some of her OAS clawed back. She doesn't spend all of her RRIF income. Indeed her non-registered savings, now $150,000, are still growing.

Mary has given Brenda trading authorization for her accounts with Garth. However, Charles has recently phoned Garth to set up a meeting with him to discuss Mary's affairs. He wants to talk about putting the non-registered account in joint names with Anthony, Brenda and Charles.

For the next 30 minutes, your table will have an open discussion exploring Mary's estate and legacy planning. Feel free to examine all her options, but we would particularly direct your table to focus some of your discussion on the specific issue assigned to your table. We ask you to choose one person at your table to give a 3-to-4-minute report on problems and recommendations you have discussed. Please include the non-monetary pros and cons of any options you examine. Other tables have been given a different area to look at in detail. Our panel of experts will be available afterwards to try to provide some guidance in technical areas.

Leave a Legacy - Case Study

- **Mary, widow, 78.**
- **After a $10,000 bequest to charity, Mary's will divides everything equally among 3 children, Anthony, Brenda and Charles.**
- **Mary's $200,000 life insurance goes directly to David, her dependent adult child.**
- **Brenda looks after Mary and has Mary's Power of Attorney. Charles is executor of Mary's will.**
- **Mary has a $500K RRIF in a segregated fund, with 3 children (A,B,C) named as beneficiaries.**
- **Mary holds title to $100K cottage at Turtle Lake jointly with 3 children (A,B,C).**
- **$150,000 non-registered savings in Mary's name alone.**
- **Mary is subscriber of a $40,000 RESP for Brenda's children.**

1. Discuss Mary's probate avoidance strategy. Is the joint ownership of Turtle Lake cottage appropriate? Would joint ownership of the non-registered investment account be appropriate?

2. Based on the present will and asset structure, who inherits from Mary? What would they receive?

3. Are the beneficiary designations for the RRIF and life insurance appropriate? Could any of the RRIF be rolled over tax-free to David? How can Mary's life insurance products be better arranged?

4. Discuss tax planning issues, income splitting, capital gains and deferral opportunities. Can you suggest a more tax-efficient asset mix? Discuss the tax issues that arise on death? What about the RRIF, RESP and capital gain on the cottage?

5. What are some other ways for Mary to make a gift to her favourite charity?

6. Discuss will-drafting issues for Mary. Consider any opportunities for testamentary trusts. Discuss the choice of executor for Mary's estate.

7. Discuss the common-law and relationship breakdown issues of Brenda and Anthony after Mary dies.

8. Is Mary's Power of Attorney adequate to meet her needs and to protect her assets? Discuss Mary's need for a living will.

9. Discuss the cottage. How can Mary help her children get along better after she is gone?

10. What role does the Saskatchewan Public Trustee play in Mary's financial affairs? Will the Public Trustee have any concern about David's finances? What issues will David face after he inherits the life insurance death benefit?

11. Is there any possible liability for the financial planner in the way Garth is handling Mary's life insurance designations and investment asset mix? Are there any other ethical concerns?

Analysis

1. **Discuss Mary's probate avoidance strategy. Is the joint ownership of Turtle Lake cottage appropriate? Would joint ownership of the non-registered account be appropriate?**

    - Selling the cottage would be a better way to simplify Mary's estate.
    - Probate costs (legal fees and court fees) are roughly 2% of the $100,000 market value of the cottage. That's about $2,000. The purpose of the joint ownership of the cottage was to avoid the $2,000 probate costs plus the title transfer costs on Mary's death.
    - Joint ownership for anyone other than two spouses is generally not a good idea. Co-owners can predecease Mary, divorce, go bankrupt, have bitter disagreements or lose mental capacity. There are many pitfalls arising from registering any property in joint ownership between parent and children. Mary cannot sell the cottage without the consent of her three co-owners. Anthony's marriage breakdown can create problems if Anthony's interest in the title becomes subject to matrimonial property division.
    - Joint ownership of the non-registered account would save about $3,000 of legal and probate costs. However, there will be a tax bill in excess of $200,000 to be paid by the executor of Mary's estate. Unfortunately, all of the $500,000 RRIF would be paid out directly to the designated beneficiaries, ABC, without any income tax deducted at source. Therefore, the executor would probably much prefer to use the non-registered savings to pay the tax rather than ask Anthony and Brenda to give back part of their RRIF money.
    - Investing the non-registered savings in a segregated fund would likely be a more efficient way to avoid probate compared to registering in joint names with right of survivorship.
    - Either a segregated fund purchase or joint ownership of the non-registered account could even allow the estate to entirely avoid the need to apply for Letters Probate. That should keep the Public Trustee out of the picture, too, because there should then be no obligation to inform the Public Trustee about David.

2. **Based on the present will and asset structure, who inherits from Mary? What do they receive?**
    - ABC would receive the cottage and RRIF. David would receive the $200,000 life insurance. The rest of the estate distribution will likely be in dispute.
    - The $150,000 non-registered investment portfolio is a probatable asset governed by the will.
    - The $40,000 RESP would also fall into the residue of the estate. (You can read the September 20, 2001 court case in Alberta involving an RESP belonging to Sandra Maria Payne who was in bankruptcy

proceedings. The court said that trustee was entitled to claim the RESP as estate property despite her arguments that she was holding the money in trust for her children.) As a widow, Mary unfortunately cannot appoint her daughter as contingent subscriber either.

- The Public Trustee may try to contest the will to say that David should receive 25% of the residue (which consists of the $150,000 non-registered account plus the $40,000 RESP).
- The big income tax bill arising from Mary's 25% of the $60,000 cottage capital gain and the $500,000 RRIF could cause problems. If the tax bill exceeds $200,000, that means both the non-registered account and the RESP would have to be liquidated to pay the income tax. Remember that the RRIF proceeds would bypass the estate since they'd be paid out to ABC *without any tax deducted at source*. Charles may politely ask beneficiaries Brenda and Anthony to help cover the shortfall by contributing some of their own inheritance from the RRIF proceeds. Charles could remind Brenda and Anthony that CRA can always trace the RRIF assets to the beneficiaries and demand payment from ABC for any tax owing by Mary's estate. CRA will not let the executor claim that the estate is insolvent due the shortage of cash in the actual estate governed by the will. Brenda may be further motivated to contribute cash from her share of the RRIF to ensure that the RESP remains intact (to avoid forfeiting CESG grants) for the sake of Brenda's children.
- If the big tax bill ends up being paid out of the non-registered savings, the charity could very easily end up receiving nothing.
- The mortgage that Mary has cosigned for Brenda is another liability payable out of the estate especially since Brenda is not keeping up the mortgage payments on her own. The estate would have to pay that obligation. However, because Canada Revenue Agency is a higher-ranking creditor than the bank that loaned the funds for Brenda's mortgage, CRA would get paid first and Brenda could be left on her own to pay off her mortgage with the RRIF money she inherits.
- The unwritten loans to Brenda are assets of Mary's estate. They will likely cause friction. Brenda may do her best to avoid telling her siblings how much she owed to her mother. The executor would argue that Brenda's share of the residue should be reduced by the amount of money that Brenda owes to Mary for the car.
- If ABC do chip in enough cash to pay the tax bill, then both the charity and David may actually end up inheriting whatever might be left over after the estate pays off Brenda's mortgage.
- There are too many cash flow problems to predict who exactly will inherit how much under the terms of the will.

3. Are the beneficiary designations for the RRIF and life insurance appropriate? Could any of the RRIF be rolled over tax-free to David? How can Mary's life insurance products be better arranged?

- Because of David's mental condition, it would be a good idea to use Mary's will to create a discretionary trust for David. However, be careful about designating "estate" as beneficiary of the life insurance because that could make the $200,000 available to pay the estate's income tax bills and Brenda's mortgage. There is a way to keep the insurance creditor proof by using the will to change the beneficiary designation to Charles in trust for David.
- Because David receives more than $8,148 (the basic personal credit amount) per year from provincial Social Assistance CRA would say that D avid is not a dependant of Mary. Therefore, **no tax-free rollover of the RRIF would be possible**. Furthermore, an RRSP cannot be rolled over into a trust.
- Mary can make the estate a 50% beneficiary of the life insurance to hold the funds in a discretionary trust for David in order to preserve his entitlement to social assistance. Mary could then make ABC the beneficiaries of the other 50% of the face amount so they can hold the other $100,000 in secret trusts for David. However, Mary would have to have faith in ABC to honour their promise to use the $100,000 to help David since the money would legally belong to ABC.

4. **Discuss tax planning issues, income splitting, capital gains and deferral opportunities. Can you suggest a more tax-efficient asset mix? Discuss the tax issues that arise on death? What about the RRIF, RESP and capital gain on the cottage?**

- Mary can claim a principal residence exemption for her 25% share of the cottage capital gain for the years of ownership after 2001 when she sold her home in Saskatoon. According to CRA External Technical Interpretation Enquiry Document 2005-0116231E5, Mary might still be able to claim the principal residence exemption 100% of the gain, even if she has registered the title in joint names. She (or Charles as her executor) may be able to argue that **there was no change in the beneficial ownership of the cottage**. The onus of proof would be on the taxpayer. Who decides who can stay in the cottage? Who pays the property taxes?
- There is a tradeoff. The tax cost from losing the ability to claim the principal residence exemption could outweigh the probate costs they are trying so hard to avoid.
- Check to see if the executor for Mary's estate used any election on her late husband's terminal tax return to elect out of a tax-free rollover of the cottage. Check to see if there were any improvements to the cottage. The ACB may have increased in several ways.
- No tax will be deducted at source when the RRIF is divided among ABC. The tax bill could exceed $200,000 on the RRIF alone.
- There could be no charitable donation credit since the charity may never receive its bequest if the value of all the probatable assets in the estate is

drained to cover the tax bill. Talk to Mary about giving more to charity now or through her will to generate tax credits that could counter the RRIF tax bill.

- The RRIF should hold the interest-bearing investments instead of equities. Mary should swap her equities outside of her RRIF. Capital gains and dividends and foreign income receive more favourable tax treatment than interest income. With equities currently inside the RRIF, Mary's capital gains and dividends become effectively 100% taxable when they are paid out as RRIF withdrawals.
- Because the RESP cash is probably going to be needed to help pay the tax on the RRIF, the accumulated, deferred income inside the RESP would become immediately taxable in Mary's estate. All CESG grants will have to be repaid to HRSDC. Unfortunately, the RESP "educational beneficiaries" have no entitlement to the RESP proceeds on death.

5. What are some other ways for Mary to make a gift to her favourite charity?

- Make a gift of cash now while Mary is still alive. Mary would be certain of making use of the tax credits.
- Unfortunately the estate cash could be drained in paying income tax on the RRIF and paying off Brenda's mortgage, which would mean the estate would be unable to pay the $10,000 bequest in the will.
- Mary can change the beneficiary on the life insurance policy to include the charity as a beneficiary of the proceeds. Even a 5% designation would ensure that the charity receives $10,000.
- Mary could buy a segregated fund (using the non-registered savings) and designate the charity as beneficiary.
- The charity could be designated as a 2% beneficiary of the RRIF. Because the tax credit from the $10,000 gift would offset the tax bill on the $10,000 of RRIF income there would be no request for the charity to contribute anything towards the tax bill caused by the other $490,000 of the RRIF going to ABC.

6. Discuss will-drafting issues for Mary. Consider any opportunities for testamentary trusts. Discuss the choice of executor for Mary's estate.

- Consider appointing a corporate executor. A trust company's neutrality will be useful for keeping Anthony from fighting with his siblings. Because of Charles' frequent travels he may need some professional help. The cash flow difficulties will require some skilful negotiation.
- Another idea is to appoint ABC as co-executors so that they all become personally liable for the tax on the RRIF and cottage. That could make them much more willing to return part of their inheritance to pay the tax bill.
- Mary could simplify Charles' job by explicitly forgiving the loans she has made to Brenda. Charles would have considerable difficulty collecting

anyway.

- Testamentary trusts would be useful additions to Mary's will to help Anthony and Charles who are in high tax brackets. A testamentary trust may also give Anthony more security in knowing that his inheritance is that much safer from division after his divorce.
- Testamentary discretionary trusts for Anthony and Charles can become useful ways for them to sprinkle income among their children. As trustees Anthony or Charles could issue T3 tax slips to their children to allocate income to them to make use of their $8,148 basic personal credits. That could make payments of cash effectively tax-free.
- A discretionary "Henson" trust for $100,000 for David would help him stay on social assistance. The trustee could buy nice extras for David to improve his quality of life.
- Rather than having Charles beg his siblings for cash contributions to help cover the RRIF tax bill, Mary could designate her estate as one of the RRIF beneficiaries to receive a percentage of the RRIF value – enough to cover the tax bill.
- Mary could use the $150,000 non-registered savings to make immediate gifts to her other 7 grandchildren.
- Mary could state in her will that she intends to benefit her children and not their spouses.

7. Discuss the common-law and relationship breakdown issues of Brenda and Anthony after Mary dies.

- Now that Brenda has lived with Edward for more than two years in Saskatchewan he is legally her spouse for purposes of property division if their relationship breaks down. Edward, therefore, would become entitled to a half share of anything that Brenda inherits from her mother. Brenda should see a lawyer and enter into a co-habitation agreement is she wants to avoid sharing her inheritance with Edward.
- Matrimonial laws are different in Alberta. Anthony would be able to keep anything he inherits from Mary even if Mary dies while he is still legally married.
- Under Alberta law, though, Anthony's ex-spouse could claim part of his 25% share of the cottage that he received as a gift from Mary. Likewise, if her common-law partnership broke down, Brenda's spouse could also make a claim on her 25% of the cottage under Saskatchewan law.
- Mary could include a clause in her will that makes bequests conditional upon her children entering into interspousal agreements not to divide the inheritance. However, since the will governs very little of Mary's estate (especially after debts are paid) such a condition would probably be pointless.

8. Is Mary's Power of Attorney adequate to meet her needs and to protect her assets? Discuss Mary's need for a living will.

- Check closely to see if the stationery Power of Attorney (POA) was enduring, which means the POA remains valid if Mary loses her mental capacity -- just when it would be needed the most. “Do-it-yourself” legal documents are potential disasters. It is probably better to completely redo the POA since the governing statute changed in 2003.
- Mary needs to appoint a successor attorney in case something happens to Brenda. Saskatchewan now allows Mary to appoint a successor.
- Brenda really should be held accountable because she has already received monetary benefits from Mary even though Brenda has a fiduciary responsibility to safeguard Mary's money. She is in a conflict of interest. The recent revisions to the Power of Attorney statute make it easier for siblings to demand an accounting from Brenda.
- Anthony or the Public Trustee could make life difficult for Brenda if he asks for an accounting. Mary may wish to specify that Charles alone is eligible to ask for an accounting from Brenda, otherwise the Public Trustee is, by default, eligible to receive the accounting.
- If ABC never seem to agree on things, they may find themselves arguing about the palliative care and life-support health care measures for Mary if there is no realistic hope of recovery, say, from an irreparable brain injury or terminal illness. A living will should help eliminate that kind of grief in a stressful situation by appointing a proxy. Mary should make her wishes known.

9. Discuss the cottage. How can Mary help her children get along better after she is gone?

- Hold a family meeting. Enter into a cottage succession agreement that would be similar to a buy-sell agreement for a business. Include written rules for time sharing (who gets to use the cottage on long weekends?) and allocating the costs of property taxes and maintenance. Include a shotgun buy-sell clause in the event of a dispute. A cottage management agreement is not easy to enforce but it could list fines for failing to clean up after use.
- Mary cannot sell the cottage without the agreement of her three co-owners. It would help to find out if anyone really wants the cabin. Putting the cabin in one name would be much more efficient than having four names on the title.
- Mary should ask her accountant to estimate the income tax owing on the cottage. Document the Adjusted Cost Base (ACB) by reviewing Mary’s tax return and the cost of all improvements (deck, boat dock, sidewalk, garage, etc). Make the maximum claim for the principal residence exemption for Mary’s 25% share of the title since 2001 when she began renting an apartment in the city. See if it is possible to claim that Mary is still the 100% beneficial owner.
- They could simplify Mary's estate by agreeing to sell the cottage to Anthony, for example, now rather than waiting until death. On the other

hand, the RRIF payout on Mary's death should give them the necessary cash for one sibling to buy out the other siblings' share of the cottage at that time.

10. **What role does the Saskatchewan Public Trustee play in Mary's financial affairs? Will the Public Trustee have any concern about David's finances? What issues will David face after he inherits $200,000?**

- David will be cut off social assistance because he will have more than $1,500 of liquid savings in his own name. Note that a discretionary trust holding $200,000 exceeds the $100,000 limit under *The Dependants' Relief Trust Fund Regulations* for funding the discretionary trust. Keeping the dollar amount in the trust fund at $100,000 or less would allow David to continue to receive social assistance.
- Because of David's mental condition, the Public Trustee must receive a copy of the list of Mary's assets when Brenda and Charles apply for Letters Probate to deal with the non-registered account. Joint ownership of the non-registered account could allow the estate to avoid the need to apply for Letters Probate. That should keep the Public Trustee out of the picture, too, because, if probate is not required, there would then be no need to inform the Public Trustee about David.
- If anyone suspects Brenda of elder abuse of Mary and tells the Public Trustee, then the Public Trustee could step in to freeze Mary's accounts and demand an accounting from Brenda. Beware of the new powers under sections 40.5 to 40.9 of the *Public Guardian and Trustee Act*.
- Someone would need to apply to the court to become David's property guardian to help him manage his expected $200,000 inheritance if he remains as the direct beneficiary of the life insurance policy.
- An alternative strategy is for Mary to establish a discretionary trust in her will to hold $100,000 for David. The insurance company may require Letters Probate before they release the funds. Alternatively, Mary could designate the other $100,000 to be paid to ABC or to one sibling directly to be held as a "secret trust" to help out their brother, David. That requires a lot of faith because the money really would belong to ABC. They would be encouraged to buy nice things for David and take him along for fancy meals or vacation trips, for example.

11. **Is there any possible liability for the financial planner in the way Garth is handling Mary's life insurance designations and investment asset mix? Are there any other ethical concerns?**

- The equity investments in Mary's RRIF could be considered too risky for a 78-year-old in poor health even if the segregated fund fully protects the principal upon Mary's death. The asset mix may not pass the "Know Your Client" test. The asset mix should emphasize income and safety of principal.

- Garth should not be discussing Mary's finances with Charles without Mary herself being present. On the other hand, putting the non-registered account in joint names would keep lawyers and CRA out of the picture.
- If Garth sees Brenda using her Power of Attorney to use Mary's non-registered savings to buy herself a car, for example, (even if she says it is needed to drive Mary to her chemo treatments), there may now be an obligation for Garth to blow the whistle to report suspected financial abuse to the Public Trustee.
- Garth should be careful in offering tax advice, on whether the estate can make itself insolvent, for example. He should make sure that Mary gets independent advice from her own accountant and lawyer. CRA would not buy any intentional effort to bankrupt Mary's estate.
- Garth should also refrain from giving legal advice about David's special needs. This area requires highly specialized estate planning, which is legal advice that should come from a lawyer.
- This estate could become a very messy situation with litigation between siblings. Garth could be dragged into the litigation as a defendant.

Cash Flow Analysis

Cash Inflows			
Canada / Quebec Pension Plan:			
CPP / QPP (Mary)	$9,945		
Total Canada / Quebec Pension Plan		**$9,945**	
OAS Benefits:			
OAS (Mary)	$5,661		
Total OAS Benefits		**$5,661**	
Other Pension Income:			
Investment Portfolio (Mary/RRIF)	$40,750		
Total Other Pension Income		**$40,750**	
Tax-free Capital Received:			
Investment Portfolio (Mary/Non-Reg.)	$18,025		
Total Tax-free Capital Received		**$18,025**	
Investment Income:[1]			
Investment Portfolio (Mary/Non-Reg.)	$9,360		
Total Investment Income[1]		**$9,360**	
Total Cash Inflow			**$83,741**
Cash Outflows			
Lifestyle Expenses:			
Retirement Spending	$64,168		
Total Lifestyle Expenses		**$64,168**	
Total Taxes			**$16,573**
Savings Allocated to Goals:			
Life Insurance:			
Life Insurance (Mary)	$3,000		
Total Life Insurance Savings	**$3,000**		
Total Savings Allocated to Goals		**$3,000**	
Total Cash Outflows			**$83,741**
Current Surplus (Deficit)			**$0**
Previous Surplus (Deficit)			**$0**
New Surplus (Deficit)			**$0**

RRSP/RRIF Projection for Mary

Year	Age	Beginning Value	Contributions	Withdrawals	Growth
2005	***78***	**500,000**	**0**	**40,750**	**36,740**
2006	79	495,990	0	41,316	36,374
2007	80	491,048	0	41,886	35,933
2008	81	485,094	0	42,446	35,412
2009	82	478,061	0	42,978	34,807
2010	83	469,890	0	43,559	34,106
2011	84	460,437	0	67,356	33,306
2012	85	426,387	0	99,045	30,724
2013	86	358,066	0	101,868	25,686
2014	87	281,885	0	104,780	20,118
2015	88	197,223	0	107,779	13,990
2016	89	103,434	0	110,719	7,285

Asset & Liability Summary

	Mary
Non-Registered Assets	
Investment Portfolio	150,000
Total Non-Registered Assets	150,000
Registered Assets	
Investment Portfolio	500,000
Investment Portfolio	40,000
Total Registered Assets	540,000
Lifestyle Assets	
Cottage	100,000
Total Lifestyle Assets	100,000
Total Assets	790,000
Liabilities	
Brenda's house mortgage	(100,000)
Total Liabilities	(100,000)
Total Net Worth	**690,000**

The above analysis of a fictional case study is the merely the opinion of Terry McBride. The North Central Saskatchewan Chapter of Advocis does not vouch for the accuracy of any of the planning tactics or recommendations. In fact, Saskatoon lawyer Kevin Rogers did not necessarily agree with a couple of the points involving the RESP and beneficial ownership of the cottage. As always, the appropriate professionals should be consulted on all legal and accounting matters prior to or in conjunction with implementation of any of these ideas. Having said that, if there is any area you would like to discuss further, you can email Terry at tmcbride@shaw.ca or phone him at (306) 651-4291.