



Heritage Law*

ESTATE PLANNING

For Disabled Beneficiaries

Capilano Golf & Country Club

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Estate Planning

A. General Estate Planning

B. Planning for Adult Dependent Relatives:
Creating a Trust in your Will

A. General Estate Planning

1. Powers of Attorney

- Manage Legal and Financial Affairs

A. General Estate Planning

2. Representation Agreements

- Manage Health Care Decisions
- Section 7 Agreements
- Section 9 Agreements



A. General Estate Planning

3. Patients Property Act

- Designation that a person is incapable of handling his/her affairs
- Committee appointed by the court
- Powers and Duties of the Committee

A. General Estate Planning

Wills and Intestacy

- Function of a Will
- Consequences of Dying Without a Will (Intestacy)

A. General Estate Planning

Wills and Intestacy

- Property Affected by Will/Intestacy
- Property Not Affected by Will/Intestacy



A. General Estate Planning

Wills and Intestacy

- Validity of Wills
- Claims that Can be Made Against the Estate



B. Planning for Adult Dependent Relatives

Disability Benefits

- Who qualifies?
- The Means Test



B. Planning for Adult Dependent Relatives

Disability Benefits: Asset Limit Exemptions

- \$3,000 for a single person with no dependants (\$5,000 with one dependent)
- A \$500 earning exemption per family per month
- Clothing and necessary household equipment

B. Planning for Adult Dependent Relatives

Disability Benefits: Asset Limit Exemptions

- One motor vehicle
- Your primary residence
- Money received from a mortgage or the sale of the residence as long as the money is used to buy a new home or to pay rent on a place of residence

B. Planning for Adult Dependent Relatives

Disability Benefits: Asset Limit Exemptions

- Tax credits and income tax refunds
- Government settlements
- Non-discretionary trusts up to \$100,000
- A discretionary trust is not considered to be an asset because the beneficiary has no ownership over the assets

B. Planning for Adult Dependent Relatives

Creating a Special Needs Trust in your Will

- Special Needs Trusts
 - What is a Discretionary Trust?

B. Planning for Adult Dependent Relatives

Creating a Special Needs Trust in your Will

- How a Discretionary Trust allows a disabled person to retain Disability Benefits

B. Planning for Adult Dependent Relatives

What can a Trust pay for?

- Items a Trust can pay for
- Person with Disability (PWD) Eligibility for Programs and Benefits

B. Planning for Adult Dependent Relatives

Issues to Consider before Setting up a Trust

- The Trustee Act
- Duties of a Trustee
- Trustee Fees
- Appointing New Trustees

B. Planning for Adult Dependent Relatives

What type of investments can Trustees make?

- Immediate Beneficiary
- Liability of Trustee

B. Planning for Adult Dependent Relatives

Creating a Trust for your Adult Dependent Relatives during your lifetime

- Creating an Inter-Vivos Trust:
 - less desirable than a testamentary discretionary trust
 - Tax Considerations

B. Planning for Adult Dependent Relatives

Steps to Creating and Administering a Trust

- The lawyer drafts the trust document
- Trust Record
- Deadlines
- How to Report the Financial Activity of the Trust to the MEIA

B. Planning for Adult Dependent Relatives

- How to retain Disability Benefits when a Non-Discretionary Trust is created

Relevant Web Sites

PWD Benefits:

- The Persons with Disability Benefits Web Site:
- www.MEIA.gov.bc.ca/pwd

Relevant Websites Cont'd...

Federal Tax Forms and Disability Tax Credits

- Canada Customs and Revenue Web Site:
- www.ccra-adrc.gc.ca/tax/individuals/menu-e.html



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Thank you!

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