

Quarterly Financial Integration Planning Opportunity "Leaving a Legacy"

In several recent meetings with clients, their legacy objectives were part of our discussions. Interestingly, the planning implications and their objectives on this subject matter were relatively diverse. Recognizing this is a planning area of interest for other clients, we felt it would be beneficial to highlight this issue as "food for thought".

In this context, *legacy* merely refers to an objective that one would like to accomplish during life or as part of their estate plan which would carry on beyond their death. For this commentary, we will limit our discussions to a financial legacy. Generally, most client's financial legacy objectives involve a financial bequest to their heirs or to charity (or both). Generally, this represents either a specific dollar amount or the disposition of their residual assets. The considerations associated with legacy planning include:

Legacy for Heirs

- A *priority* of leaving a targeted financial amount for the next generation may require the current generation to restrict their own lifetime spending to ensure this occurs. Alternatively, this legacy objective might be provided for in whole or in part with life insurance.
- A financial legacy may include providing for multi-generations. To ensure this occurs, typically the legacy planning is accomplished by utilizing trusts. These trusts may be effective during life, at death or in combination.
- Thoughtful consideration of the heir's ages, financial savvy, asset protection consideration, and tax consequences are all issues to be addressed.

A Philanthropic Legacy

- Many clients have devoted their lives to various philanthropic endeavors and want to support these efforts with a specific bequest at their death. Other clients may have had limited time or resources to actively engage in areas of charitable interest during life, but would like to commit financial resources at their death to further particular charitable or educational institutions and causes.
- Leaving a philanthropic legacy during lifetime or at death often create tax advantages that with proper planning can further enhance the financial benefit available to the targeted recipient.

Leaving a legacy is not necessarily an objective of only wealthy individuals who have accumulated financial resources that exceed their lifetime needs. For some it is a priority that justifies making reasonable personal sacrifices to ensure this objective is accomplished.

Please contact us if you would like to discuss how leaving a legacy may fit into your financial and estate plan, or if we can assist with other questions or concerns.

Sincerely,
Your TD Capital Team