

# Do your final wishes include reducing your taxes?

Testamentary trusts can make your wishes come true

A well constructed estate plan helps arrange your financial affairs so income taxes and estate administration fees are minimized. It also contributes to seeing that your possessions and assets are distributed according to your wishes, and your estate has sufficient funds to pay income taxes and other liabilities.

## What are testamentary trusts?

Testamentary trusts form the backbone of any well-planned will. Set up in advance, they guide the distribution of your possessions and assets according to your wishes. In addition to their role as powerful will planning tools, testamentary trusts can be used as part of a financial strategy to help you

- defer taxes by transferring assets to a qualifying spousal trust,
- protect your assets and possessions from your beneficiaries' creditors,
- minimize taxes because testamentary trusts qualify for lower marginal tax rates,
- relieve your family members from the burden of managing your assets and wealth by appointing a trustee to administer the trust, and
- maintain control over the transition of your wealth to successive generations.

## Beyond basic benefits

The ability to minimize taxes using testamentary trust is significant. For instance, depending on your province of residence, you can realize annual tax savings of up to \$13,500 by simply using a testamentary trust as an income splitting vehicle.

To help ensure you identify all your estate planning opportunities, our dedicated team works with you to align the provisions of your will to your objectives. We specialize in incorporating testamentary trusts into your estate plan, including setting up a qualifying testamentary spousal trust. This plan can provide your beneficiaries with important and ongoing tax savings.

However, to realize these tax benefits, it's essential to plan ahead. That's why we invite you to contact your local Grant Thornton adviser to start your estate planning today. It's never too early to set up a testamentary trust to provide for your loved ones while maximizing the value of your wealth for future generations.

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