

FARM WEALTH PLANNING CHECKLIST

Personal checklist for: _____

Completed on: _____

Wealth planning is more than investment returns.

It is a process to maximize what you have, provide for your future, and effectively pass it on.

Wealth planning is not just for the "wealthy".

It is something that everyone should do. It is never too early or too late to plan.

Wealth planning provides a financial framework for your life and beyond.

It is personal. It is customized. And it works.

FARM WEALTH PLANNING CHECKLIST

Big Picture

My (3) biggest concerns today are:

1. _____
2. _____
3. _____

Your Most Important Objectives

What are your most important planning objectives?	Not Important	Important	Very Important	Notes
Identifying all the issues you need to consider: financial, retirement, tax, succession or sale issues				
Having enough money to sustain your desired lifestyle in retirement				
Structuring your affairs to minimize tax now, at retirement and on death				
Maximizing returns in your investment portfolio				
Deciding whether/when you will be ready for a change of lifestyle				
Passing the farm to your farming child(ren) while balancing non-farming child(ren)'s interests				
Taking care of others in the event of your death, illness or disability – your parents, children, grandchildren, etc.				
Leaving a personal legacy – values, traditions, ethics, life lessons and inheritance				
Paying for children's or grandchildren's education				
Maximizing a gift/bequest to your favourite charity				
Avoiding probate fees				
Avoiding family conflict after you are gone				

Retirement Planning

	Not Important	Important	Very Important	Notes
Do you have a plan for when, or if, you will retire from active farming and a clear vision of your life in retirement?				
Do you and your spouse agree on what your lifestyle will be like in retirement?				
Do you know how much you can spend monthly/annually during retirement without outliving your savings?				
Do you sometimes wonder if it is important to diversify some wealth into some non-farm assets?				
Do you ever wonder if completely eliminating all income tax every year might not be the best retirement planning?				
- Do you think that you can minimize current taxes and also save up for retirement at the same time?				
- Do you know how to hold retirement savings so it doesn't interfere with farm tax planning opportunities?				
- Do you really know how many years in advance a farmer needs to start planning for retirement?				
Do you know why it is harder for a farmer to defer income in the years leading up to retirement?				
Will you have to rely on government pension for income?				
- should you apply for CPP early?				
- will your OAS benefits be subject to the clawback?				
Do you know which retirement income sources to spend first and how to minimize taxes?				
Do you review your financial plan regularly?				

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Tax Planning

	Not Important	Important	Very Important	Notes
Are you sure that you are currently minimizing unnecessary exposure to tax?				
Are you minimizing personal taxes on non-farm assets such as investments?				
Are you maximizing any and all income splitting opportunities available to you, with your spouse or children, or even through a corporate structure or a family trust?				
Do you know which assets can be rolled over tax free to your spouse and which assets will be subject to tax at death?				
Do you know enough about the tax rules regarding the "rollover" of land, equipment and production quota to children and when the rollover can be denied?				
- Are you certain about whether the farm rollover will be available for each separate quarter/half/section/ acreage you own?				
Do you know how much of your lifetime Capital Gains Exemption (CGE) you have left and are you certain which assets are CGE eligible?				
- Have you obtained advice about whether you will really qualify for the capital gains exemption for each separate quarter/half/section/acreage you own?				
Do you understand how the Principal Residence Exemption (PRE) works if you sell your home located on farmland?				
If you farm as a proprietor (not partnership or corporation), do you understand:				
- how to minimize tax exposure on farming income?				
- how a Family Farm Partnership could create tax savings?				
- how incorporating the operation could save tax in the years leading to retirement?				

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Tax Planning (cont.)

	Not Important	Important	Very Important	Notes
If you farm as a proprietor (not partnership or corporation):				
- Are you confident you are minimizing tax exposure on farming income?				
- Do you know how a Family Farm Partnership could create tax savings?				
- Do you understand how incorporating the farming operation could save tax now and in the years leading up to retirement?				
If you farm through a corporation:				
- Are you confident you are minimizing your corporate tax bill?				
- Does your corporate structure ensure that your shares can "roll" to children in the event of your death rather than being taxed?				
- Do you know if your shares will qualify for the lifetime capital gains exemption (CGE)?				
- Does your corporate structure ensure that your shares will always qualify for the lifetime capital gains exemption (CGE) in the event of your death?				
- Have you obtained advice about whether you need a separate holding corporation?				
- Does your farm business succession plan provide for the most tax effective transfer of shares to family members?				
- Do you understand how corporately held insurance can create a tax efficient succession plan?				
- Do you know if you are maximizing access to the lowest corporate tax rate?				

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Estate Planning

	Not Important	Important	Very Important	Notes
Do you know:				
- how taxes at death will affect your estate?				
- how much your estate will pay in probate fees?				
Do you understand how tax will impact your:				
- non-registered investments?				
- registered assets (RRSPs, RRIFs)?				
- other assets such as real estate?				
Do you understand how the farm rollover rules apply at death?				
Do you understand how the farm capital gains exemption applies at death?				
Have you completed a recent inventory of:				
- assets of significant value?				
- personal effects?				
- items of emotional value?				
Do you know the difference between "joint tenancy" and "tenancy in common" and the reasons for using various ownership methods?				
Have you made, or do you intend to make, gifts during your lifetime?				
Do you have a current will?				
Have you specifically discussed your estate plan with your family?				

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Estate Planning

	Not Important	Important	Very Important	Notes
Have you specifically discussed your intentions regarding your farming operation with your children?				
Have you obtained advice about ways to create a "fair" distribution of estate value as between farming and non-farming children?				
Do you have any concerns about:				
- how your beneficiaries will manage and/or spend their inheritance?				
- whether a marriage breakdown could put your child's inheritance at risk?				
- how your family will deal with the family cottage?				
Do you know all the uses of trusts and how they can benefit you and your beneficiaries?				
- Do you understand how trusts can save income tax?				
- Do you understand how trusts can protect your children from marriage breakdown or creditor claims?				
Have you selected:				
- an Executor and alternate Executor?				
- a guardian for minor children?				
- a Power of Attorney for financial and property matters?				
- a Power of Attorney for end of life decisions?				

List below any issues you want to discuss with:

1. Family Members:

2. Partners or Shareholders in Your Farming Operation:

3. Your Financial Advisor:

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