



Tax and estate planning

Fact finder

Client name: _____

Date: _____



The fact finder

is a tool devised to provide a detailed summary of each of the key areas necessary to effectively create a business succession plan, estate plan and retirement plan through insurance and investment mediums that will maximize tax advantages.

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Personal information

Objective: To collect relevant personal information necessary to plan an estate or business succession strategy for a client

Personal data

Client's name

Birthdate/age

Birthplace

Phone

Fax

E-mail

Citizenship: Canadian

Other (please specify)

Residence address

Family data

Spouse's name

Birthdate/age

Birthplace

Your marriage is:

A legal marriage

A common law marriage

Marriage date or commencement of cohabitation

Place of marriage

Marriage contract, domestic agreement? (Please provide copy)

Spouse's citizenship

Have you or your spouse ever held a U.S. Green Card?

Yes

No

If yes, dates?

Spouse's occupation

Spouse's future plans (employment, family, etc.)

Children

Birthdate/age

Citizenship

Residency

Do you plan to have (more) children?

Previous marriage(s)?

Children of previous marriage(s)?

Spousal support?

Child support?

Separation agreement? (Please provide copy)

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Documentation

Objective: To ensure that recommendations are based on complete and up-to-date information, obtain a copy of all relevant documents.

Documents

Document	Received	Returned
Will(s) - client		
- spouse		
- others (names)		
- others (names)		
Marriage contract/separation agreement		
Corporate organizational chart		
Financial statements (for 2 years)		
Shareholders' agreement		
Employee benefits booklet		
Insurance policies		
- policy numbers		
- policy numbers		
- policy numbers		
Pension plan statements		
RRSP statements		
Income tax returns (for 2 years)		
Additional notes:		

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Estate planning

Objective: To develop a detailed summary of the client's financial position. This information is critical as you work through and develop an estate plan that will consider your client's unique family situation and needs.

Personal net worth

Financial position Assets	Client		Spouse		Held jointly ✓
	Value \$	Cost/ACB*	Value \$	Cost/ACB	
Non-income producing assets					
Home					
Household & personal effects					
Car(s)					
Other real estate (e.g. vacation property)					
Other					
Total non-income producing assets					
Income-producing assets Business interests					
Bank accounts					
Term deposits					
Bonds					
Stocks					
Mutual funds/investment funds					
Mortgages					
Real estate					
RRSP					
TFSA					
DPSP					
RPP					
Tax shelters (specify)					
Other					
Total assets					
Liabilities					
Mortgages					
Car loans					
Bank loans					
Line of credit					
Personal guarantees					
Other (credit cards, etc.)					
Total liabilities					
Net worth					

Are these liabilities life insured? Yes No

Which of your assets are held jointly (if any) and with whom?

*Adjusted Cost Base



Personal income statement

	Client \$	Spouse \$
Salary		
Commissions		
Bonus		
Dividends		
Interest		
Net rental income		
Other income		
Marginal income tax rate		

Financial philosophy

What is your philosophy on:

Investment savings

Reinvesting in your business

Business borrowing

Tax minimization

Expected growth rate on assets

Inheritances/trusts

Are you/will you be a beneficiary under a Will or trust?	Yes	No	When	Amount \$
--	-----	----	------	-----------

Is your spouse a beneficiary under a Will or trust?	Yes	No	When	Amount \$
---	-----	----	------	-----------

If yes: Does this have any influence on your present and future financial planning?

Wills

Client's will

Do you have a Will? Yes No

When was your Will signed?

Date of last review

Estate distribution: Outright to spouse Yes No

Alternate distribution:
If not spouse, other distribution (details)

Other (details)

Executor(s)

Spouse's will

Does your spouse have a Will? Yes No

When was the Will signed?

Date of last review

Estate distribution: Outright to spouse Yes No

Alternate distribution:
If not spouse, other distribution (details)

Other (details)

Executor(s)

Where do you keep your signed Will and other important papers?

Does your Will appoint a guardian for your minor children (if any)? Yes No

Name

Address

Have you made any cash bequests to any person or organization? Yes No

If yes, provide details and funding:

If no, do you wish to make a bequest Yes No

If yes, provide details:

Are you satisfied with present terms of your Will? Yes No

Do you have a separate Will(s) that deals with the disposition of your business(es)? Yes No

Do you have a separate Will(s) that deals with the distribution of non-Canadian property? Yes No

Additional notes:



Personal life insurance

(Client, spouse, children)

Insured	Insurer	Policy #
---------	---------	----------

Beneficiary(ies)

Premium	Date purchase	Amount	Death benefit
---------	---------------	--------	---------------

Insured	Insurer	Policy #
---------	---------	----------

Beneficiary(ies)

Premium	Date purchase	Amount	Death benefit
---------	---------------	--------	---------------

Insured	Insurer	Policy #
---------	---------	----------

Beneficiary(ies)

Premium	Date purchase	Amount	Death benefit
---------	---------------	--------	---------------

When was the last time you reviewed these programs with an insurance advisor?

Are you satisfied with these arrangements? Yes No

Are you considering assigning such policy(ies) as collateral security for a loan? Yes No

Group life insurance, association, plans, etc.

(Client, spouse, children)

Carrier	Amount	Policy #
---------	--------	----------

Beneficiary(ies)

Premiums	Death benefit
----------	---------------

Carrier	Amount	Policy #
---------	--------	----------

Beneficiary(ies)

Premiums	Death benefit
----------	---------------

Carrier	Amount	Policy #
---------	--------	----------

Beneficiary(ies)

Premiums	Death benefit
----------	---------------

Carrier	Amount	Policy #
---------	--------	----------

Beneficiary(ies)

Premiums	Death benefit
----------	---------------

Personal disability insurance

Group disability coverage:

Insurer _____

Short term:	Exclusion period	Benefit period	Amount \$
-------------	------------------	----------------	-----------

Long term:	Exclusion period	Benefit period	Amount \$
------------	------------------	----------------	-----------

Does the business pay any portion of these premiums?	Yes	No
--	-----	----

Individual disability coverage:

Insurer _____

Short term:	Exclusion period	Benefit period	Amount \$
-------------	------------------	----------------	-----------

Long term:	Exclusion period	Benefit period	Amount \$
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Family security objectives

Estate liquidity:

Will your estate have sufficient liquid assets to pay capital gains tax, probate fees, debts, final costs, etc. on your death?	Yes	No
--	-----	----

What might these costs be?

Do you have a plan to cover these costs?	Yes	No
--	-----	----

Have you purchased life insurance as a method of providing the liquidity necessary to cover these costs?	Yes	No
--	-----	----

If no: Why not?

If yes: Details (insurer, amount, plan):

When was it last reviewed?

Is the coverage adequate?	Yes	No	Are you satisfied?	Yes	No
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Retirement planning

Objective: To understand the client’s retirement goals and any financial plans currently in place to help reach those goals. This section should be used in comparison with the Business section and the Estate section of the fact finder to ensure that there are no conflicts between the end goals and the information gathered and strategies developed.

Retirement objectives

At what age do you want to retire? To slow down?

How will your business interest be transferred on your retirement?

To what extent do you want to rely on your business for your retirement funding?

Do you plan or anticipate any changes in your lifestyle on retirement?

What percentage of your pre-retirement income would you require after retirement?

Pension plan

Do you participate in a pension plan? Yes No

If no: Have you recently considered the benefits of a pension plan?

If yes: What type of plan is it?

Does your spouse participate in the plan? Yes No

Who is the beneficiary(ies) on your death?

Who is the beneficiary(ies) on your spouse’s death?

Retirement program

Have you considered or put in place a supplemental pension arrangement, (e.g. a retirement compensation arrangement) for yourself?

Registered retirement savings plans (RRSPs)

Do you contribute to an RRSP? Yes No

If no: Why not?

If yes: Annual contribution Maximum contribution allowed

If yes: Details of the plan (institution, maturity date, interest rate, etc.)

Estimated current value

Beneficiary(ies) in the event of your death

Spousal RRSP

Does your spouse have an RRSP? Yes No

If no: Have you recently considered the benefits of a spousal RRSP?

If yes: Spouse's annual contribution Your annual contribution

Details of plan

Estimated current value

Beneficiary in the event of your spouse's death

Tax-free savings accounts (TFSAs)

Do you contribute to a TFSA? Yes No

If no: Why not?

If yes: Annual contribution Maximum contribution allowed

Details of the plan (institution, maturity date, interest rate, etc.)

Estimated current value

Beneficiary(ies) in the event of your death

Spousal TFSA

Does your spouse have a TFSA? Yes No

If no: Have you recently considered the benefits of a spousal TFSA?

If yes: Spouse's annual contribution

Details of plan (institution, maturity date, interest rate, etc.)

Estimated current value

Beneficiary in the event of your spouse's death



Non-registered savings and investment plans

Do you have any other savings programs in place? (e.g. RESPs) Yes No

If no: Why not?

If yes: What is the nature of the program?

Annual contribution Estimated current value

Does your spouse have any other savings programs in place? Yes No

If no: Why not?

If yes: What is the nature of the program?

Annual contribution Estimated current value

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Business

Objective: To work through and develop a business succession plan that is best suited to your client's needs and to develop a detailed summary of the client's business with all of the pertinent information that must be considered when developing a business succession strategy. It covers areas such as: ownership arrangements; management information; company advisors; origin and purpose of the business; any involvement in other businesses; family involvement in the business; the financial position; and key personnel protection and benefits.

A. Business information

Name of business					
Address					
Phone		Fax		E-mail	
Nature of business					
Business structure	Sole proprietorship	Partnership	Corporation	Other (Specify)	
Date of incorporation			Fiscal year-end		
Number of employees:					
Management		Office	Sales	Labour	Other
Are they unionized?	Yes	No	Is the business a family business?		Yes No

Management

Pres.	Vice Pres.
Sec.	Treasurer
General Mgr.	Sales Mgr.
Prod. Mgr.	Controller

Advisors

Accountant

Address	Telephone
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Lawyer

Address	Telephone
---------	-----------

Banker

Address	Telephone
---------	-----------

Insurance agent/financial investment advisor

Address	Telephone
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Do you generally consult with any of these advisors on financial decisions? Which ones?



Business origin

How was the business started?

Why did you get into this business?

Ownership of business

(Identify any relationships by blood or marriage)

Name	Position	Area of expertise	Age	# of shares and type	Ownership %

Other businesses

(Attach outline of corporate structures)

Do you own an interest in any other businesses?

Corporation's taxable income (amount/fiscal year)

Do you receive your income or salary/bonus, dividends or both from these businesses? Yes No

Annual income \$

Estimate of value

What is the current value of the business? (Lowest price for which you would sell the business)

Has the value increased or decreased over the last five years?

Family involvement

Are any family members (spouse, children, parents, brothers, sisters) presently active in the business?
If so, who? (Describe their involvement)

Do you have any plans to involve any (more) family members in the business?

Future of business

What are your plans/projections for the business in the future? (Sales, profits, growth, long range plan, expansion, etc.)

What is the projected rate of growth for the business?

Additional notes/comments:

Financial position

(or provide financial statements)

Business assets	Value \$	Cost/ACB
Bank accounts		
Term deposits		
Investment funds		
Real estate		
Equipment		
Vehicles		
Inventories		
Accounts receivable		
Total assets		
Business liabilities		
Accounts payable		
Mortgages		
Bank loans		
Loans from shareholders		
Deferred taxes		
Total liabilities		
Shareholders' equity		



B. Business continuation planning

(i) Business loan protection

Does the business have any significant bank loans or other debts?

What are the terms of these loans? (e.g. Can they be called at any time?)

What type of security has the lender required for these loans?

Have you (or your spouse or co-owners) personally guaranteed any of these loans?

Is there anyone besides yourself who deals with the bank now?

Do you have any collateral insurance?	Yes	No
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If yes: Details (insurer, amount, plan)

Are the policies assigned?	Yes	No
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Is the coverage adequate?	Yes	No
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Are you satisfied?	Yes	No
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Are you deducting the premiums?	Yes	No
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If no: Have you ever considered collateral insurance?	Yes	No
--	-----	----

If you/co-owner/key employee died:

Would credit be restricted?	Yes	No
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Would repayment of any loans be required?	Yes	No
---	-----	----

Would your personal estate be liable?	Yes	No
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(ii) Key personnel protection

Which people (owners, key employees) in your business have a significant impact on the current and future success of the business?

Name	Position	Age	Total Compensation

If they died or became disabled, could these people be replaced from within your current organization?	Yes	No
--	-----	----

How long would it take to find replacements?

What would be the loss of profits until replacements are trained?

Do you have any insurance on these key individuals?	Yes	No
---	-----	----

If yes: Details (insurer, amount, plan)

Is the coverage adequate?	Yes	No
---------------------------	-----	----

Are you satisfied?	Yes	No
--------------------	-----	----

If no: Have you ever considered key person insurance?	Yes	No
--	-----	----

How would your business cover these costs?

(iii) Key personnel benefits

Do you provide any selective incentive plans to your key personnel? (e.g. special benefits?)	Yes	No
--	-----	----

Supplemental pension?	Yes	No
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Executive or key person benefit package?	Yes	No
--	-----	----

(iv) Business succession on death

How will your interest in the business be transferred on your death?

- (a) Retain the business In the family
- (b) Sell as a going concern
- (c) Liquidate the business

(Complete the applicable section below)

(A) Retain the business in the family if transferred:

To whom will the business be transferred? (spouse, spousal trust, child(ren), relative(s), others)

Does this person have any experience in operating the business?	Yes	No
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Will a temporary or full-time manager be required?	Yes	No
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For how long?	At what cost per year?
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If transferred to spouse/spousal trust:

How will your spouse receive income (out of the business or otherwise)?

Will the business provide adequate financial security for your spouse? Yes No

To whom will the business be transferred on your spouse's death?

Will there be sufficient liquidity in your spouse's estate to pay the taxes realized on his/her death? Yes No

If transferred to child/children/relative:

How will your child receive income out of the business?

Will there be sufficient liquidity in your estate to pay the taxes on the disposition of the business realized on your death? Yes No

Is there one particular child who is best suited to run the business?

Do you plan to equalize the inheritance to your (other) children? If so, with what assets?

Do you have estate equilization insurance in place? If yes, please provide details.

Does your current Will reflect your wishes as to the transfer of your business? Yes No

Have you considered the implications of the family law legislation in this province for your Will or your buy-sell agreement?

Do your adult children have domestic contracts that deal with their interests in the business?

(B) Sell as a going concern

Is there a buy-sell agreement In effect?

If yes, please answer the questions below

If no, please advance to the no buy-sell agreement section on page 19

If yes: How does it work? (Please provide copy)

When was the agreement signed?

When was it last reviewed?

What does it cover? (e.g. death, disability, retirement, etc.)

How will the price be determined?

Are you satisfied with it?

How is the agreement funded?

Insurance:

Details (insurer, amount, plan)

When was it last reviewed?

Is the coverage adequate?	Yes	No	Are you satisfied?	Yes	No
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If no insurance:

Details

How much would your family receive on your death?

Are you satisfied with present funding arrangements?	Yes	No
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Have you ever considered insurance funding?	Yes	No
---	-----	----

Is your Will co-ordinated with the terms of the buy-sell agreement?	Yes	No
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Have you considered the implications of the family law legislation in this province for your Will and your buy-sell agreement?

If no buy-sell agreement: (continued from page 18)

Have you ever considered a buy-sell agreement?	Yes	No
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Who will purchase the business?

Do you want the purchase to be required?	Yes	No
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How will the price be determined?

Where will the funds come from?

Would you want your spouse or your partner's spouse to become a co-owner of the business?	Yes	No
---	-----	----

Will there be sufficient funds to pay income and capital gains taxes?	Yes	No
---	-----	----

Do you want these taxes to reduce the proceeds received by your family?	Yes	No
---	-----	----

(C) Liquidate the business**Why would your business be liquidated on your death?**

Would there be any significant loss in value on liquidation?	Yes	No
--	-----	----

If no: Why not?

If yes: What is your estimate of the reduction value shrinkage?

Would you want your estate to receive the going concern value?	Yes	No
--	-----	----

Does your Will empower your executor to allow continuance of the business during the sale of the assets so as to permit an orderly liquidation?	Yes	No
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(v) Business succession on disability

Would any problems arise if you/one of your co-owners became disabled? Yes No

What plans have you implemented to offset these problems?

Would you want to require the sale of the business interest if you or one of your co-owners becomes permanently disabled? Yes No

Is any disability insurance in place in respect of the owner(s) of the business? Yes No

If yes: Details: (insurer, amount, plan)

When was it last reviewed?

Is the coverage adequate? Yes No Are you satisfied? Yes No

If no: Have you ever considered it?

How would your business survive if you or a co-owner became disabled?

Additional notes:

(vi) Business succession on retirement

Have you considered what will happen to the business and how you will continue to be remunerated on your retirement?

What plans have you implemented to deal with business succession on retirement?

Would you want to ensure that funding is in place to provide for your retirement without relying on the assets of the business?

