

PUBLICATION

Why Every Parent Needs a Will

June 16, 2015

Why Every Parent Needs a Will

Marissa German explains in Calgary's Child magazine about the importance of having a will as a new parent, in creating certainty that your children's future will unfold in a manner that you envision and the implications when a will is absent.

Creating a Will is the best way to ensure that your children's future will unfold in a manner you envision should you pass away while they are still young. In your Will, you have the power to appoint a person who you feel most comfortable with looking after your children. You can also provide for when and in what amounts your children receive their inheritance. By properly planning through a legal Will, you can avoid confusion, misinterpretation and mitigate some of the distress your family will go through when you pass away.

In your Will, you can appoint a Guardian to care for the well-being of your kids. Guardians are responsible for making personal and health care decisions for your children, including decisions regarding where your children live, what sports and activities the children participate in, religion and medical care. Typically, Guardians are not paid to act in this role. However, through your Will, you can specify that your children's inheritance could be used to allow the Guardian to hire a nanny or purchase a larger vehicle so that they are financially able to look after your kids. You might also wish to write a letter to your Guardian outside of your Will to elaborate on your wishes for your children's upbringing.

It is recommended that you create a trust in your Will so that your children's inheritance can be paid out to them over a period of time. If you do not create a trust in your Will, the Alberta Public Trustee will manage your children's inheritance and when they reach the age of 18, the remaining inheritance will be paid out to your kids in full. However, many people are not financially savvy at the age of 18. Someone who receives a large sum of money at the age of 18 may be more inclined to buy a fast car or go on an extended holiday rather than use the money for post-secondary education or to save for their future. Receipt of such a large sum of money at a young age may take away a child's motivation to become qualified in a career. By creating a trust in your Will, you can specify when your children will receive their inheritance. For example, you could stipulate that each of your children will receive one-third of their inheritance at age 21, one-half of the remaining amount at age 25 and the balance at age 30. You could also indicate that funds are to be disbursed in the Trustee's discretion at any time to pay for health care, maintenance and benefit of your children.

If you do not have a Will, then you are said to have died 'intestate' and Alberta has legislation, which

determines how your estate is administered. The legislation provides a priority for who can step up and act as Administrator of your Estate. The person with the highest priority and approved by the Court as your Administrator may not be someone who you have a good relationship with or who would administer your estate in an appropriate and timely manner. Alberta's legislation also provides a listing of who will inherit if you die without a Will and this may not be in line with whom you intend to benefit.

In conclusion, in order to create certainty about who will look after your children after you pass away, how their inheritance will be distributed and how your estate will be administered, it is best to document your wishes in a proper legal Will.