

In this section, DARPAN Features your most 'frequently asked questions' on diverse topics answered by experts in their respective fields.



## ABOUT THE AUTHOR

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Sukhminder is an Associate Lawyer at Lindsay Kenney Law. His areas of expertise are Wealth, Estate and Corporate Law. He is focusing on finding the most practical legal solutions for his business clients. Sukhminder is also experienced in wealth preservation, estate and family issues and complex tax implications.

# Estate Planning: What Is It and Why Do I Need It?

I'm often asked by clients, "what is estate planning and why do I need it?" Estate planning is the process of determining and implementing the most efficient way to transfer your assets to the next generation. Period. It involves looking at your personal, family, and financial picture to determine your current needs and future objectives, and then drawing a roadmap of how to get there.

The biggest mistake that people make when it comes to estate planning is to assume that they do not need to plan. There is a misconception that estate planning is only for the well-off, or that you need to have a complex estate to require one. Nothing could be further from the truth.

Whether you have a young family or a small estate, the legal and financial issues affecting your estate will apply regardless. For example, take a young family, a primary concern will be determining who will look after their young children in the event that something happens to both parents. In addition, families will need to determine who will manage the children's wealth. Lastly, they will need to make sure that in the event of an untimely death, there is enough money left to ensure the children can live comfortably.

As for the size of an estate, whether small or large, the legal and taxation issues that

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arise are similar. Even small investments, such as a rental property or stocks and bonds, require careful planning to ensure that the legal and tax issues are minimized. More so, each family has different desires and wishes for the next generation, whether they are to pass on a family business, or to ensure that there is enough for the family in the unlikely event of an early death. They are based on a person's family and individual needs and desires, and need to be carefully planned for and addressed.

Whether based on the financial picture or family relationships, each family is unique. Likewise, estate and financial objectives will differ from person to person. So why do you need an estate plan? Estate planning will allow you to plan for your family's and your objectives. It will address legal and tax consequences, if any, and will create a plan that works for you. Most importantly, estate planning will provide you with peace of mind knowing that your legacy will be well protected.

