

A look back at designations for Tax-Free Savings Accounts

Last year, the provincial government in Ontario implemented a regulation allowing owners of TFSAs to make beneficiary designations for those accounts, allowing them pass outside of a will, similarly to RSPs. This regulation took effect on May 31, 2009, which means that TFSA beneficiary designations made before May 31 are **not** valid because the regulation is not retroactive.

What does this mean for you?

If you made a beneficiary designation on a TFSA before May 31, 2009, you will need to talk to your financial advisor about re-designating a beneficiary on your account; it is as simple as re-signing the same document you signed when you originally opened the TFSA. If you made the designation after May 31, 2009, your designation is valid and your TFSA will pass to your designated beneficiary outside of your will.

Creating a legacy

There are many different ways to leave money to charitable organizations through your will. The simplest way is through a one-

time bequest made through your will, whether of cash or investments. You can also leave a percentage of the remainder of your estate to a charity or charities, either directly or through setting up a charitable trust.

Most of Canada's major banks also have charitable foundation programs that allow you to give through them, gaining the benefit of a charitable foundation without incurring the costs of setting up your own. This must be balanced against potentially more stringent restrictions on who will receive the donation in the end. You can also go through independent companies that will assist you in setting up a family foundation.

Regardless of how you choose to donate, charitable donations made through your will can benefit both you and the organizations you choose to support.

Title Insurance: you probably already have it

Title insurance is a very valuable tool; it protects you from problems with the title to your property that could not be discovered, and protects you against fraud. However, you should be careful about title insurance recommendations for a property you already

own, because you likely already have it in place. Title insurance has been available in Canada for over 20 years, and as it rose in popularity, banks and mortgage companies began insisting on it. Before you purchase a new title insurance policy, look through your documents from when you purchased the property and determine whether you already have it.

additions) and quality of construction. It then compares homes that haven't been sold recently with sales of comparable homes to come up with assessed values. The last assessment occurred in 2008, and will be used by Ontario municipalities for taxes up to the end of 2012. If you are concerned about the assessed value of your property, you can contact MPAC at www.mpac.ca.

What is MPAC?

Municipal taxes are set based on your property's assessed value; that value is not determined by your local municipality but instead by a company called the Municipal Property Assessment Corporation.

MPAC looks at five main factors: location, lot dimensions, living area, age of the property (adjusted for renovations and

We are always appreciative of your referrals.

Our practice is built on referrals from people like you. We are happy to speak to anyone who is looking for legal advice in our areas of practice, and welcome referrals from your friends, family and colleagues.

This newsletter is published for general information only and does not constitute legal advice. A professional opinion should be obtained regarding any person's specific circumstances.