



ESTATE PLANNING IN THE 21ST CENTURY:

NEW CONSIDERATIONS IN A CHANGING SOCIETY

While the basics of estate planning have been the same for centuries, boomers are facing new realities today that call for a broadening of the scope of the traditional estate planning process. The BMO Retirement Institute took a closer look at three emerging estate planning issues to identify ways in which individuals could adapt their estate plans to reflect these new realities.

BOOMERS ARE WIRED INTO THE DIGITAL WORLD

Recent studies show that boomers have embraced online technology in ever-increasing numbers. From social media to online stock trading, the surge in boomers who have a personal, professional, or

financial presence online has created millions of intangible digital assets. It is important to think actively and openly about incorporating your digital assets into your estate plan. Although keeping track of online accounts and passwords may seem daunting, it is one of the first key steps in the process. Consult your legal advisor for professional guidance on safeguarding your non-physical assets and ensuring an orderly distribution to your loved ones with minimal burden.

A CHANGING FAMILY PARADIGM

The older segment of the population is rapidly expanding and, as life expectancies rise, so do the chances of becoming a caregiver to an elderly

relative. In fact, nearly one in six are already providing care for an aging parent, with more than half of them providing both personal and financial support. More than one third expect they will be required to provide eldercare in the future.

Consequently, is it time to expand the traditional notion of “beneficiary” to ensure aging loved ones’ continued care is not at risk in the event of the caregiver’s incapacity or death? Whether you are currently caring for an aging parent or relative, or if there’s a significant chance that you will in the near future, estate planning today requires a broader view of the list of potential beneficiaries to ensure that a lasting legacy is left to all your loved ones, both young and old.

“HAIRY” HEIRS – PROVIDING FOR FIDO’S FUTURE

As pets are increasingly considered “members of the family,” we should also be considering their needs in the event of our death. Though three-quarters of pet owners feel that it is important to make arrangements for the ongoing care of their pet, only seven percent made a formal provision in their estate planning documents.

The unfortunate reality is that every year hundreds of cats and dogs are euthanized because their owners have failed to consider them as part of their estate. When making your Will, consider leaving a reasonable monetary legacy to a chosen caregiver who could use the funds to care for the pet and minimize the risk of the pet being abandoned and given up to an animal shelter.

YOU CAN’T MEET TODAY’S CHALLENGES WITH YESTERDAY’S TOOLS

Estate planning needs to keep up with the new world boomers live in today. Individuals should incorporate their digital assets, aging parents and other relatives, and their pets into their estate planning considerations. Contact your BMO Financial Professional, who can suggest strategies on how to incorporate these new elements into discussions with your legal advisor. They can also review your financial plan and make any necessary adjustments to reflect caregiving and financial obligations. ■

The BMO Retirement Institute is a premier Canadian think tank on retirement issues and strategies. To learn more or for the full report, visit bmo.com/retirementinstitute

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