



Tax, Retirement & Estate Planning Services

 Questionnaire

Estate Planning Questionnaire for Business Owners

As a business owner, it is important that you consider a number of issues when developing your estate plan. To assist you in thinking through these issues and creating your own plan we have developed this business owner estate planning questionnaire for you. It also contains “Tips” to help you determine whether you will need to address certain issues in your estate plan. This questionnaire will help you get started so that you can put your estate plan in place and address your business concerns. It will also assist your insurance and professional advisors with implementing your estate plan with you.

Note: This questionnaire is not intended nor should it be construed as evidence of the testamentary intentions of the individual completing it.

Section One: Personal Background Information

The information in this section is designed for you to have all of your personal information set out in one place. This information will assist both you and your insurance advisor in getting a snap shot of your personal situation at this time. Remember your situation over time will change and you will need to review your estate plan from time to time to ensure that what you have set in place meets your needs at the time.

Date: _____

First and last name: _____

Date of birth: _____ Sex: Male Female

Home address: _____

Home phone #: _____ Business phone #: _____ Cell phone #: _____

Email address: _____ Citizenship: _____

Hobbies or special interests: _____

Do you smoke? Yes No

Have you ever applied for insurance before? Yes No

Have you ever been declined for insurance? Yes No

If yes, explain why: _____

Spouse information:

First and last name: _____

Date of birth: _____ Sex: Male Female

Home phone #: _____ Business phone #: _____ Cell phone #: _____

Email address: _____ Citizenship: _____

Hobbies or special interests: _____

Does your spouse smoke? Yes No

Have you ever applied for insurance before? Yes No

Have you ever been declined for insurance? Yes No

If yes, explain why: _____

Tip

If you or your spouse is a US citizen, you may have additional considerations with respect to your estate plan from a US estate tax planning perspective. You will need to speak with a lawyer or accountant who is familiar with these types of planning issues to ensure these issues are addressed.

Marital status: Married Common Law

Date of marriage: _____ Place: _____ Date started cohabitating: _____

Is there a marriage contract or cohabitation agreement? Yes No

For Quebec only: What is the marital regime? _____ Civil Union (Quebec)

Children/Grandchildren information:

Children:					
Name	Married/ Single	Gender	Date of Birth/Age	Country of Birth	Trustee for Minors
	M <input type="checkbox"/> S <input type="checkbox"/>	M <input type="checkbox"/> F <input type="checkbox"/> Other <input type="checkbox"/>			
	M <input type="checkbox"/> S <input type="checkbox"/>	M <input type="checkbox"/> F <input type="checkbox"/> Other <input type="checkbox"/>			
	M <input type="checkbox"/> S <input type="checkbox"/>	M <input type="checkbox"/> F <input type="checkbox"/> Other <input type="checkbox"/>			
	M <input type="checkbox"/> S <input type="checkbox"/>	M <input type="checkbox"/> F <input type="checkbox"/> Other <input type="checkbox"/>			

Grandchildren:						
Parents Name	Grandchild Name	Married/ Single	Gender	Date of Birth/Age	Country of Birth	Trustee for Minors
		M <input type="checkbox"/> S <input type="checkbox"/>	M <input type="checkbox"/> F <input type="checkbox"/> Other <input type="checkbox"/>			
		M <input type="checkbox"/> S <input type="checkbox"/>	M <input type="checkbox"/> F <input type="checkbox"/> Other <input type="checkbox"/>			
		M <input type="checkbox"/> S <input type="checkbox"/>	M <input type="checkbox"/> F <input type="checkbox"/> Other <input type="checkbox"/>			
		M <input type="checkbox"/> S <input type="checkbox"/>	M <input type="checkbox"/> F <input type="checkbox"/> Other <input type="checkbox"/>			

Tip

Since minor children cannot own property (other than at the age of 16 a life insurance policy can be owned) and minor children cannot be in receipt of insurance proceeds, you will need to consider how to deal with the assets of your estate to benefit your minor children, grandchildren or disabled children. As well, children may include adopted children by formal means such as by court order or by other means. Using the word “children” or “issue” may include children born from genetic material, surrogacy or assisted reproduction. You will need to consider who is included in your class of children which may also extend to the class of grandchildren.

Marriage/common law breakdown:

Were either of you married previously? Yes No

Date of separation or divorce: _____

If so, are there any support obligations? Yes No

Use chart below to describe support obligations:

Name of person you support	Residency and citizenship	Birth date (if child)	Additional information (names of children)	Indicate from which marriage	Indicate document to which support obligation exists, court order or separation agreement

Tip

It is important for your advisor to obtain as much information about first and second marriages and related information such as court orders and separation agreements to ensure that all support obligations have been considered. Support obligations may impact your cash flow and therefore impact financial planning.

Section Two: Document Checklist

(These documents would apply to you and your spouse if applicable)

Accountant's name and phone #: _____

Lawyer's name and phone #: _____

This section helps to ensure that any documentation that may be relevant to your estate plan is included. Many of the documents we ask for may not be applicable to you. If this is the case, please disregard our request. However, if you feel that important materials pertaining to your financial situation have not been listed, please include them with the rest of your submissions.

If applicable, please submit the following documentation for you and your spouse:

- Your most recent income tax returns (2 years) including the Notice of Assessment form from Canada Revenue Agency
- Information on employer provided benefits, including the recent status of any group life insurance, group disability insurance, group RRSP and company pension plan
- Copies of the most recent unconsolidated financial statements and tax returns of any corporations in which you own an interest
- Copies of partnership or shareholder agreement
- All life insurance policies including the most recent status notices showing any policy loans, premium amounts or dividends on deposit
- Disability, critical illness and/or long-term care insurance policies you may have that provide income replacement in the event of an accident or sickness or care when you are elderly
- Documents showing current values of any personal retirement programs that you may have, for example, latest RRSP mutual fund statement
- Statements of investments eg: stocks
- Credit card statements and information regarding any life insurance in place to pay off the creditor card balance
- Recent mortgage and other loan statements including lines of credit and life insurance for these debts
- Most recent Will
- Most recent powers of attorney for property and for personal care/health directives
- Marital agreement, separation agreement, divorce order(s), cohabitation agreement
- Trust document for any trusts of which you, your spouse and/or your children are beneficiaries
- Bankruptcy orders or any court orders or proposals for bankruptcy or any information regarding creditor claims

Any other documents that you feel may be relevant to the completion of your plan.

Tips

Wills/power of attorney

- Ensure your Will is current and reflects your situation, including any planning that has been done to date. When your situation changes (marriage, divorce, death of a family member) you should review your overall estate plan and ensure that your will and beneficiary designations all reflect your current situation. Ideally, you should review your estate plan every three to five years or when a significant life event occurs.
- The Will may include a declaration that creates an insurance trust within the Will; this should be noted to ensure it does not conflict with any beneficiary designations already contained within any policy(ies).
- Your professional advisor can help you review the Will and shareholder agreement to ensure that these two documents reflect the same outcome and that no conflict exists.
- There are two types of power of attorney documents: a power of attorney document for property and one dealing with personal care sometimes referred to as a medical directive or a living Will. The appointment for property provides authority to the attorney to manage and govern property and financial affairs when an individual becomes incapacitated. The appointment for personal care allows the attorney to make decisions about medical treatment and care on behalf of the incapacitated individual.
- In Quebec, there are also two types of documents. The power of attorney document is used for property and grants the “Mandatary” the ability to manage the Mandator’s assets. The other type of document is referred to as a “Mandate” and comes into existence when the “Mandator” becomes incapacitated. It deals with both personal care and property matters relating to the “Mandator”.

Shareholders agreements

- Where a shareholder agreement contains buy-sell provisions, the agreement should ensure funding is addressed. Insurance proceeds can be a cost-effective way to fund a buy-sell arrangement.

Life event changes

- When your situation changes (marriage, divorce, death of a family member), you should review your overall estate plan and ensure that your Will, shareholder agreement if applicable, and beneficiary designations all reflect your current situation.

Financial statements

- The retained earnings on the financial statements essentially represent the cumulative income earned by the corporation less the amount of income that has been distributed to shareholders. Retained earnings on the financial statements do not represent cash that is readily available to spend. Liquid assets such as cash appear in the asset section of the balance sheet.

Section Three: Some Questions to Consider

Who would you like to benefit from your estate planning? _____

What would you like these beneficiaries to be able to do as a result of your estate planning? _____

Do you intend to make any special bequests, for example, to a charity? _____

Will you be a beneficiary of someone else's estate in the future? _____

Are your children or family members involved in your business? If yes, do you see either your children or family members eventually taking over the business and running it? _____

Is your spouse involved in the business? No Yes If yes, will this involvement continue after your death? No Yes

If some of your children are involved in the business and others are not, how do you wish to equalize among them?

Do you have any reservations with any of your children taking over your business? _____

In the event of your death, what planning would you like to occur specifically for your spouse? _____

At what age would you like to retire? _____

How would you like to see your business transferred at retirement? _____

If you do not intend to retire, what do you wish will happen with your business at death? _____

Tax considerations aside, in what manner would you want your estate distributed? _____

Additional comments: _____

Section Four: Net Worth

Assets	You	Spouse	Joint	Original Cost
Cash				
Non-registered investments				
RRSP/RRIF				
Pension plans				
Loans receivable				
Family home				
Vacation property 1 e.g. cottage or recreational farm property				
Vacation property 2 e.g. cottage or recreational farm property				
TFSA				
RESP				
RDSP				
Rental property				
Proprietorship				
Partnership interests				
Shares of private companies				
Loans to private companies				
Stocks				
Deferred profit sharing plan				
Life insurance cash values				
Mortgages receivable				
Other assets e.g. copyright, patents, royalties, digital assets				
Liabilities	You	Spouse	Joint	Original Cost
Mortgages				
Investment loans				
Personal loans				
Other liabilities				

Tip

When a shareholder lends after tax dollars to their private corporation, the amount owing can be repaid by the corporation (provided it has assets it can use to repay the loan) at any time tax-free.

Section Five: Business Interests

(Use a separate sheet for each business.)

What is the name of the business or corporation? _____

What is the nature of the business? _____

The business is operated as a: Sole proprietorship
 Partnership
 Corporation (fiscal year end _____)

Business address: _____

Section A

(Applicable only if the business is a corporation)

When was the business incorporated? _____

Common shares

Shareholder (attach a sheet if necessary)	# of shares	Class	Cost (ACB)	Paid-up Capital (PUC)	Estimated value

Special or preferred shares

Shareholder (attach a sheet if necessary)	# of shares	Class	Cost (ACB)	Paid-up Capital (PUC)	Estimated value

Section B

What is the estimated fair market value of the business? _____

Do you have an agreement regarding the purchase or sale of the business or shares of the corporation? No Yes

Is there any life, disability, critical illness and/or long-term care insurance in place to fund this agreement? No Yes

If not, how will it be funded? _____

Have key employee-shareholders or partners identified their successors? No Yes

Does the corporation have active business income eligible for the small business deduction? No Yes

Do you expect to claim the lifetime Capital Gains Exemption when you dispose of the shares? No Yes

If not, have you already used your exemption? No Yes

Is investment income paid out to shareholders annually as dividends? No Yes

If not, does the corporation have refundable dividend taxes on hand? _____

Have you personally guaranteed any business loans? No Yes

Is your corporation involved in any litigation? No Yes

Are there any court orders relating to creditor claims and your business? No Yes

Details: _____

Tip

- Is the business operated as a sole proprietorship, partnership or corporation? A partnership is a legal relationship between two or more persons who carry on a business in common for the purpose of profit. To determine if the business is carried on through a partnership, a key question to ask is whether or not the business is incorporated. A true partnership is not a corporate entity. The partners of the partnership may be individuals, corporations or a combination of the two.
- Refundable Dividend Tax on Hand (RDTOH) Balances – RDTOH represents refundable tax paid by a private company on its investment and dividend income. Amounts in the RDTOH account are accumulated in a notional account and are refundable to the corporation when a taxable dividend is paid to a shareholder at the rate of \$1 of refund for every \$3 of taxable dividends paid. In most provinces, the recovery of the RDTOH on a dividend paid to an individual shareholder will offset the tax payable by the shareholder. As a result, if an RDTOH balance exists, it represents an opportunity to extract funds from the corporation with no net tax cost. The RDTOH balance appears on the corporation's income tax return (Form T2) and is often disclosed in the notes to the financial statements.
- Share Capital and Share Ownership – The share capital of the corporation is usually outlined in the share capital note in the company's financial statements. Share ownership information is usually available in the corporate minute book.
- Why is Paid-up Capital (PUC) important? The PUC of a share is the PUC for the particular class of shares divided by the number of issued shares in the class. PUC can generally be returned to the holder of a share free from income tax. On redemption of a share or a purchase of a share for cancellation, the amount received by the shareholder in excess of the PUC is typically subject to tax as a dividend.
- Why is it important to know about different classes of shares? When a corporation has one or more classes of shares, there are specific rights, privileges, restrictions and conditions attached to the shares of each class, such as redemption value, voting rights and dividend entitlements. The share attributes will have an effect on the value of the shares as well as rights to distributions of property out of the corporation.

Section Six: Corporate Structure

Please use this page to draw a schematic of the relationships between the shareholders of the corporations in the corporate group. If you have shares in two or more unrelated corporations, please use a separate page for each related group of companies. For each shareholder, show the name and the percentage of shares owned by them for each category and class of share (common, special, Class A, Class B, etc.). Where shares have a fixed value, please indicate that value. For trusts that are shareholders, also show names of trustees and beneficiaries. For corporate shareholders, show the shareholders of that corporation as well.

Tip

It is important to have an accurate understanding of the ownership structure of your business. In order to determine the structure, answer the following questions:

- Is the business incorporated?
- What type of shares do you own and in which companies (e.g. common or preferred shares)?
- Are there other shareholders?
- Are there related corporations, holding companies, trusts or partnerships?
- Is the business a professional corporation?

Having the answers to these questions will allow a better assessment of insurance needs and facilitate decisions with respect to ownership, funding and beneficiary designations for insurance contracts. It is often advisable to obtain this information from your professional advisor, who will be familiar with any tax-related restructuring which has been done.

Section Seven: Insurance Planning

Please provide details of any life, disability, critical illness and/or long-term care insurance currently in place on you or your spouse. You will be in a better position to determine whether your current insurance policy(ies) meet your needs for the purposes of your estate plan. This will also require you to review your current beneficiary designations and determine whether they are appropriate for your overall estate plan.

Policy #1

What kind of insurance do you have? _____

Insurance company name: _____

Policy owner(s): _____

Premium payer if different than owner: _____

Name of all lives insured: _____

Death benefit: \$ _____ Beneficiary: _____

Payment frequency: Annual Monthly Other _____

Premium payments: \$ _____ Cash surrender value: \$ _____

Is this policy subject to an existing shareholder agreement? (provisions in buy-sell) No Yes

Is this policy subject to a court order or separation agreement? No Yes

Policy #2

What kind of insurance do you have? _____

Insurance company name: _____

Policy owner(s): _____

Premium payer if different than owner: _____

Name of all lives insured: _____

Death benefit: \$ _____ Beneficiary: _____

Payment frequency: Annual Monthly Other _____

Premium payments: \$ _____ Cash surrender value: \$ _____

Is this policy subject to an existing shareholder agreement? (provisions in buy-sell) No Yes

Is this policy subject to a court order or separation agreement? No Yes

1 Agreement

By signing below, you agree that:

1. We can obtain personal information about you as described below (examples of information to be collected, income tax returns, will, marriage, cohabitation, separation or divorce agreements, etc.).
2. We can use your personal information to:
 - help you and your advisor(s) assess your insurance needs;
 - determine which of our products may meet those needs;
 - determine whether the insurance we may provide would require and/or be eligible for reinsurance; and
 - underwrite any product you decide to apply for.
3. If we need to determine whether any insurance we provide would require or be eligible for reinsurance, then you agree that we can provide your personal information to potential reinsurers for that purpose.
4. Unless you select one or both of the options below, you agree that we can obtain personal information about you from third parties such as your doctor, or medical facility, your lawyer, accountant or other insurance companies. You authorize third parties to give us any of your personal information that may be relevant to the purposes described above. You agree that we can share your personal information with these third parties to enable them to (1) identify you accurately and (2) assist us in using your personal information for the purposes described above.

You do not give consent for us to obtain your personal information from third parties.

- If you have selected this box, we can only obtain your personal information directly from you, or from your advisor, any insurance agency that employs your advisor or has named him or her as its agent, or from any of their employees.

You do not give consent for us to give your personal information to third parties.

- If you have selected this box, we can only share your personal information with applicable reinsurers, your advisor, any insurance agency that employs your advisor or has named him or her as its agent, and any of their employees, as required to perform their jobs.

You can withdraw your consent to the collection, use or disclosure of your personal information as described in this form. If you withdraw your consent, we may not be able to assist you in assessing your insurance needs or for the other purposes described above.

To withdraw your consent, or to request access or corrections to your personal information, contact your insurance advisor. To obtain more information about our privacy policies, see www.manulife.ca > Privacy Policy.

2 Signatures

Client name (please print)	Client Signature
Date (dd/mm/yyyy)	Signature of Witness

