

Joint Accounts

Tailored solutions to manage and transition wealth

Are you thinking of re-registering your accounts or real property with someone other than a spouse or common law partner for convenience or to avoid probate fees? There are times when it makes sense to re-register assets jointly, but it's also worth taking the time to carefully weigh the potential consequences before proceeding.

Relationships end

Sad, but true. Whether someone's been in a relationship for four months or 40 years, the possibility exists that the relationship could fail. If you have added someone to your assets and the relationship ends, that asset could be considered a part of their spousal property. That's probably not what you intended when you - for example - added your kids to the cottage title.

The tax man cometh

If assets are registered jointly with someone other than your spouse or common-law partner, the Canada Revenue Agency (CRA) may come looking for its share. Terms such as deemed disposition and capital gains tax should inspire you to visit your tax advisor to review the tax implications of a re-registered asset.

I paid what to save how much?

It's wise to look into the actual cost of transferring titles, particularly when it's a real estate asset. Take into account both the legal fees and the title transfer fees. Ask yourself: will the possibility of probate fees at some unknown point in the future truly justify what you will pay today?

Hmmm... creditors

If the person you've added as joint holder on your assets faces creditor or bankruptcy issues in the future, chances are so will you. The asset could be subject to the claims of creditors or bankruptcy court.

No more control

Let's say you add someone other than your spouse or common-law partner jointly on the title to your home. The day comes when you want to sell the house, or you've decided to remortgage. If the joint owner doesn't agree, you cannot sell or mortgage the property. You've lost control of your home.



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TOGETHER, LET'S DO GREAT THINGS

Concentra[®]
TRUST

It's still an estate asset

The risks and costs associated with registering assets jointly with someone other than a spouse or common-law partner can be significant. On the other hand, the price of a properly drafted power of attorney or the probate fees paid by your estate will seem a bargain. Always seek professional advice before re-registering an asset.

Keep in mind, just because an asset is placed in joint names doesn't mean it will be considered a joint asset on death. If someone other than your spouse or common-law partner is the surviving owner, it will be considered an estate asset unless the survivor can prove that it was intended as a gift on death.

If you do decide to proceed with re-registering assets jointly with someone other than a spouse or common-law partner, we recommend the following:

- detail whether it's for convenience only, or if it is intended as a gift upon death.

- if it is intended as a gift, be sure to update your Will to reflect the gift, or execute a separate deed of gift document.

Can Concentra Trust help?

Absolutely. Concentra Trust offers a wide range of solutions for the effective planning and transfer of assets to the next generation. We administer a full suite of estate and trust solutions of all sizes and complexity for clients across Canada. Our team of trust specialists has the experience and expertise you expect from a national trust company. In addition, Concentra Trust offers complimentary safekeeping for your Will, trust indenture or power of attorney.

Our estate and trust solutions are designed to meet your individual needs. We are committed to finding the right solution, regardless of asset size or complexity.

Concentra. The name to trust.

Concentra Trust is a national trust company specializing in estate and trust solutions for over 60 years. The strength of Concentra comes from deep roots in the co-operative system, built on shared values to grow and serve communities across Canada.

We specialize in personalized service, impartial guidance and peace of mind for Canadians.

Concentra Trust is a wholly-owned subsidiary of Concentra Bank.

Estate & Trust Specialist

250.713.0172

estatespecialist@concentra.ca

Coastal Community experts

888.741.1010

service@cccu.ca



concentra.ca