

Canada Estate Planning Guide (English)

A practical overview of wills, probate, deemed disposition, and trust basics.

Shared by Rosy Yang, Realtor® (for educational purposes)

Important: This guide is general information only and is not legal, tax, or financial advice. For advice specific to your situation, please speak with a qualified estate lawyer and/or accountant.

Quick Highlights

- In Canada, having a will is strongly recommended for most adults.
- Without a will, the court may appoint an administrator and the process can be slower and more costly.
- Canada generally does not have a traditional inheritance or gift tax, but capital gains may be triggered through deemed disposition rules.
- Many assets can bypass probate if they are jointly owned or have named beneficiaries.
- Trusts may help with probate avoidance, privacy, incapacity planning, and certain tax planning—depending on the situation.

1) What is estate planning?

Estate planning is the process of preparing for death or incapacity in a way that minimizes time, costs, taxes, and family disputes—while transferring assets efficiently and according to your wishes.

2) Why a will matters in Canada

Unlike Korea, Canada often relies on a will to appoint an executor and guide distribution. A will can reduce delays, help your family access assets sooner, and lower the administrative burden. If you have minor children, a will is especially important because it can name guardians.

3) If you die without a will (intestacy)

When someone dies without a will, the court may appoint an administrator and assets may be frozen until court authority (probate or grant) is issued. Distribution follows provincial intestacy rules, which may not match your wishes. Delays and costs can increase significantly.

4) Probate basics (and what may avoid it)

Probate is the court process that validates a will and authorizes the executor or administrator to deal with the estate. Some assets may bypass probate depending on ownership and beneficiary designations, such as jointly owned assets, registered plans with named beneficiaries, and trust-owned assets. Rules and fees vary by province.

5) Inheritance, gift tax & deemed disposition

Canada generally does not have a traditional inheritance or gift tax. However, certain transfers can trigger **deemed disposition**, where assets are treated as if sold at fair market value and capital gains may apply. Cash usually does not trigger deemed disposition because there is no capital gain.

6) Trust basics (high-level overview)

A trust is a legal relationship where a settlor transfers assets to trustees to manage for beneficiaries. Trusts may be used for privacy, incapacity planning, and controlled distribution. Many trusts are subject to a 21-year deemed disposition rule, so professional advice is essential.

Reminder: This guide is based on information I learned after attending an estate planning seminar. It is shared for general educational purposes only. Please consult a qualified estate lawyer and/or accountant before making decisions or taking action.

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