STEP Canada
ADVISING FAMILIES ACROSS GENERATIONS

Connection
Toronto Branch Newsletter

January 2021 - Vol. 8 No. 4

Message from the Chair, STEP Toronto

Hello everyone and welcome to STEP Toronto's first newsletter of 2021. I hope you all enjoyed a much needed break over the holidays and have entered the New Year optimistic that the end of the pandemic and a return to (a new) normal is in sight.

Our first virtual TEP Talk (aka STEPping out to Lunch) was held last week. Thanks to my fellow board member Harris Jones for moderating the lively session. These online sessions have been very well received. Attendance is always maxed-out, so we encourage you to register early. Given this success, the board will be giving serious thought to how the sessions should be managed when in-person gatherings are once again permissible. Next month's lunch will be held on February 10th at noon.

As previously mentioned, our education programs will look different at least for the first half of this year. The 2021 Q1 & Q2 Branch/Chapter Bundles include two locally developed sessions coupled with two national sessions. The first Toronto session is titled: *Family Enterprise Planning – Coaching Families to Avoid Disasters* and will be held this Wednesday, January 20th, 3-5pm. National sessions are scheduled for February and March (*Tax Update and Conflict of Laws in Estate Planning*, respectively). Our education year draws to a close in May when the topic will be *Meet the Experts: Understanding the Power of Life Insurance in an Estate Plan*. Information regarding the Bundles (including June's bonus French session: *Le Fractionnement du Revenu et les Règles Fiscales de L'irf*) can be found at: 2021 Q1 & Q2 Branch Bundle.

Blue Monday will be bluer than usual this year as we need to forego our annual social event. I remain optimistic we will be able to gather in person in the latter part of 2021. In the meantime, please stay safe and thanks for reading.

Elaine Blades, J.D., TEP,
Toronto Branch Chair

In this Newsletter

STEP Toronto Executive

Overview of Session 8, Thursday, October 1st: Family Offices

Prepared by: **Elaine Blades, JD, TEP: RBC Royal Trust**

Moderator: **Corina Weigl, LLB, TEP, Toronto: Fasken LLP**

Panelists: **Elizabeth Cloutier, CPA, CA, Toronto: Canada Overseas Investments Ltd.**

Tom McCullough, MBA, CIM, CIWM, Toronto: Northwood Family Office

Cindy Radu, FCPA, FCA, LLM, ICD.D, TEP, Calgary: Cindy Radu Advisory Ltd.

- Although the concept of the family office is not new, the prevalence of family offices in Canada is still relatively novel. Panel members canvassed a number of challenges facing families of wealth followed by a discussion of what a family office is and how and when a family office might offer a solution to these challenges.

<u>Critical challenges facing families of wealth</u>

- The world is more complex than ever (e.g., consider the speed of transactions, changing technology, security risks, increasing regulations and compliance regulations, market volatility, geopolitical developments, etc.).
- Families are more complex too: definition of "family" (much broader than traditional, nuclear family); increasingly global/mobile; longevity/capacity issues; increased conflict, litigation and family breakdown concerns.
- Loved Cindy's quote "wealth is an amplifier of all things"
- Increased conflict and litigation caused by:
  - breakdown in communication and trust;
  - unprepared heirs; and
  - no purpose for family's wealth.
  - Note that tax and financial planning…RANKS LOWEST (only 3%). In other words, the "soft" or non-financial issues are paramount and need to be addressed.
- We are at a critical transition point: aging population; business and wealth transition; preparedness of rising generation; shared family vision – beyond financial and tax; retirement of key advisors.
- The advisor "silo problem": issues are interconnected and need coordination and collaboration; yet we often work in silos (accounting, insurance, legal, investment, business strategy, etc.) – even silos within silos!…There is also advisor bias. Families need a "general contractor" to oversee everything – a family office can play that role. Need to replace silos with collaboration = highest service we can give our clients: focus on developing the whole over the parts for the client's benefit.

Bottom line: many factors driving need for enhanced services.

Families of wealth are looking for: control, alignment of interests, objectivity, gatekeepers, due diligence and confidentiality.

video link

The Multi-Family Office (MFO) solution

- Family Office is one solution to the issues outlined above.
- What is a Family Office? *A dedicated team of professionals who oversee and manage the integrated investment and financial affairs of affluent families.*
- "Family Office" is used in 2 different ways:
  - to describe the nature and quality of their services, or
  - to describe their target market.
- A Multi-Family Office provides services to more than one family.
- History: born with Europe's aristocratic families; brought to U.S. a century ago (families like the Rockefellers); more recent introduction to Canada.
- Range of services from basic administration to holistic services.
- Service categories:
  - Planning: at this stage it is very important to identify key goals for family's lifetime and legacy. ***Too* often people jump to solutions.** All planning must be integrated.
  - Investment: requires a coordinated and strategic approach.
  - Administration & reporting: organization and management of cash management, budgeting, bill paying, banking, tax instalment coordination
  - Family: values and goals, education, governance, family meetings, transition of a business. **Often too little time and money invested in this area.**
- Example of what a MFO family might look like (the various asset, financial and personal complexities).
- Architect/general contractor analogy: need someone to organize and coordinate the various roles.
- Business owners often understand the need for coordination and integration.
- Dedicated MFO team of professionals covering:
  - Tax and accounting
  - General management/consulting

- Financial planning
- Family business advising/coaching
- Philanthropy
- Legal – estate and trust
- Investment management.

- Typical characteristics of an MFO:
  - Breadth and integration of service
  - Professionals with diverse skills
  - Coordination
  - Independence
  - High level of service
  - Multi-generational planning
  - Outsourcing
  - Confidentiality.
- Fees: different models and fee ranges reviewed.
- Benefits: learn from other families; wide range of staff experience; continuity of institutional memory.

video link

Single Family Office (SFO) Solution

- "When you've seen one SFO you've seen one SFO!"
- Single organization dedicated to providing wealth management services to one family
- Customized to that family
- A few, highly trusted, highly skilled, long-term senior staff.
- All MFO services plus: structure provides maximum control to the family; gatekeeper (senior professional in the office who ensures all services – inside MFO or outsourced – are vetted, referenced and a good fit for the family); privacy and confidentiality; very deep and trusted long-term relationships
- General sentiment is need $500 million passive AUM (i.e. an operating company would be separate).
- Salaries for professionals are biggest single cost.
- How to create:

- Understand key roles
- Identify skills and resources to deliver the purpose
- Determining level of family involvement, if any
- Evaluate cost to execute.

- Key roles:
  - Chief Executive Officer
  - Chief Information Officer
  - Chief Financial Officer
  - Chief Legal Officer
  - Director of Philanthropy
  - Director of Information Technology
  - Family Office Manager
  - Executive Assistant
  - Bookkeeper
  - Family Security Director.
- Discussed finding and assessing talent for an SFO (in house and 3rd party). Good fit with family is most important.
- Went through some start-up costs (IT and staff) that must be considered.
- SFO must evolve with family.
- Sometimes move from SFO to MFO or vice versa.

video link

STEP Presents...

This year, our "STEP Toronto presents..." summary is going to look a little different as we highlight the upcoming programs available from both STEP Toronto and STEP Canada.

January 20, 2021 – Family Enterprise Planning – Coaching Families to Avoid Disasters

Summary: Transitioning a business without a succession plan can lead to disaster. There are tremendous merits in business owners investing the time to design and implement a well thought out business succession plan to avoid this. Join us for the first seminar of 2021 focusing on:

- What a comprehensive business succession plan entails and why it is so important to plan in advance;
- The most common solutions used in a comprehensive business succession plan;
- Different advisor skills needed to build the team to execute a succession plan; and
- Case study discussion of a complex family owning a business where proper planning has not been put into place.

Moderator: **Jeff Halpern,** CA, CPA, TEP, Toronto: TD Wealth

Speakers: **Michael Goldberg,** LLB, TEP, Toronto: Minden Gross LLP

Howard Johnson, DBA, FCPA, FCA, FCMA, FCBV, CPA, CFA, ASA, CF, Toronto: Duff & Phelps Securities, LLC

Robin Dodokin, LLB, LLM, Q.Med, Toronto: Dodokin Law & Conflict Resolution

Registration: step.ca

Time: 3:00PM – 5:00PM

Venue: Webcast only

This program is part of the STEP Canada 2021 Q1 & Q2 Toronto Branch Bundle. The live broadcast will air on the date above. Archived recordings of each broadcast are available with registration.

Article: The UTRA: Protecting Society's Vulnerable from "Unconscionable Transactions"

By Daniel Paperny, WEL Partners

A recent Government of Canada study found that frauds and scams are the number one crime that are carried out against seniors in Canada, and that the elderly are victimized by fraud at disproportionately higher rates than others in this country.[1] Whether as a result of social isolation (particularly during the COVID-19 pandemic), deteriorating mental or physical health, or other factors, older people are sadly more vulnerable to being victimized by individuals who seek to take advantage of them financially. As Canada's population ages, instances of elder financial abuse are growing more prevalent and the need for us to collectively act to better protect our seniors (and other vulnerable people in our society) from unfair, unconscionable or fraudulent financial transactions is growing more pronounced.

What happens from a legal perspective when unfair financial transactions are procured as a result of a "power imbalance" between the parties, or due to one party's weakness relative to the other, stronger, party? How can such instances of unfairness be addressed and remedied?

As capacity and estate litigators, these are problems we deal with every day, and my team and I are always

1 *8. What Every Older Canadian Should Know About Frauds and Scams*, Cat. No.: HS64-12/8-2010 ISBN: 978-1-100-51531-1 https://www.canada.ca/content/dam/esdc-edsc/documents/corporate/seniors/forum/brochure-08-eng.pdf

looking for tools that can be used to address and remedy instances where a vulnerable person has been taken advantage of by an unscrupulous third-party who has exploited the vulnerable individual's frailty and the power imbalance that exists between the parties.

Whether due to a person's advanced age, diminished cognition or other impairment, it is all too common for said person to be exploited financially by those looking to take advantage of their vulnerability (this is becoming even more commonplace as our general population continues to age). Tragically, such instances of financial exploitation are most-often perpetrated by people who the vulnerable person relies on for personal or financial care: such as their attorneys under POA documents, guardians, financial advisors, adult children, close friends or family.

Fortunately, when such unconscionable transactions are discovered, there is a plethora of remedies available at law which can be used to right the wrong.

Equitable legal principles, such as undue influence, economic duress or unconscionable procurement, can be applied in the context of civil legal proceedings to unwind, set aside or render voidable improper transactions, and hold the perpetrator accountable. In addition, arguments that the vulnerable person lacked the requisite capacity to enter into the impugned transactions can be used to have the transaction set aside.

Also, there are provisions available under the *Criminal Code*[2] (such as s. 331 'theft by a person holding a power of attorney'; s.386 'fraud'; s. 346 'extortion', etc.) that can be pursued in circumstances where the alleged wrongdoing warrants criminal proceedings.

In addition, a lesser known and relatively underutilized statute, the ***Unconscionable Transactions Relief Act*** (the "UTRA")[3] can be used as a legislative tool to set aside or vary "unconscionable" transactions that have been procured in circumstances of unequal bargaining power and where one party has taken unfair advantage of this power imbalance.

Specifically, the UTRA applies to loans, gifts or mortgages, and permits a court to cancel or vary such transactions, when it considers the terms of the agreement or the circumstances surrounding the transaction to be "*harsh and unconscionable*".

Section 2 of the UTRA provides that:

> ***The court may,***
>
> ***2*** *Where, in respect of money lent, the court finds that, having regard to the risk and to all the circumstances, the cost of the loan is excessive and that the transaction is harsh and unconscionable, the court may,*
>
> ***reopen transaction and take account***
>
> *(a) reopen the transaction and take an account between the creditor and the debtor;*
>
> ***reopen former settlements***
>
> *(b) despite any statement or settlement of account or any agreement purporting to close previous dealings and create a new obligation, reopen any account already taken and relieve the debtor from payment of any sum in excess of the sum adjudged by the court to be fairly due in respect of the principal and the cost of the loan;*

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2 *Criminal Code* (R.S.C., 1985, c. C-46).

3 *Unconscionable Transactions Relief Act*, RSO, 1990, c. U.2.

order repayment of excess

(c) order the creditor to repay any such excess if the same has been paid or allowed on account by the debtor;

set aside or revise contract

(d) set aside either wholly or in part or revise or alter any security given or agreement made in respect of the money lent, and, if the creditor has parted with the security, order the creditor to indemnify the debtor. R.S.O. 1990, c. U.2, s. 2.

Courts - in discussing the UTRA and the judicial discretion to set aside unconscionable deals provided in the statute - have noted that it is not necessarily the financial terms of the impugned transaction that render it "unconscionable", but rather it is the totality of circumstances giving rise to the transaction that a court is interested in. This includes the relative vulnerability of one party or unequal bargaining power that may have existed between the parties, and whether that imbalance was exploited in striking the deal.

Justice Judson for the Supreme Court of Canada in *Ontario (Attorney General) v Barfried Enterprises Ltd.* ("*Barfried*")[4], notes that the purpose of the UTRA is to relieve a party from their obligations under a contract, in instances where there has been an imbalance in bargaining power between the contracting parties, such that one party is deemed not to have actually given their free and valid informed consent to the contract. Read this way, the statutory relief available under the UTRA can actually be interpreted as an extension of the civil doctrine of undue influence.

The doctrine of undue influence, briefly, provides that where one party to a transaction has been pressured, coerced or influenced by another to enter into the transaction and that, as a result of the degree of pressure applied and the party's vulnerability or frailty, it cannot be said that the party was actually giving their independent consent to the deal, then the transaction can be set aside on account of undue influence. The UTRA can be applied in a similar way to vary transactions in circumstances where, due to an imbalance of power between contracting parties, the weaker party cannot be said to have freely consented to the transaction.

The following is an excerpt from the SCC's *Barfried* decision regarding the UTRA.

> *The wording of the statute indicates that <u>it is not the rate or amount of interest which is the concern of the legislation but whether the transaction as a whole is one which it would be proper to maintain as having been freely consented to by the debtor. If one looks at it from the point of view of English law it might be classified as an extension of the doctrine of undue influence</u> ... The theory of the legislation is that the Court is enabled to relieve a debtor, at least in part, of the obligations of a contract to which in all the circumstances of the case he cannot be said to have given a free and valid consent.* [emphasis added] [5]

The Ontario Superior Court in *Smith v Pluim*[6], cited the *Barfried* decision, and noted that the purpose of the UTRA is to provide courts with the power to "*relieve a party to a contract from his [or her] obligation where the contract was made absent his [or her] informed consent or <u>in circumstances of unequal bargaining power</u>.* [emphasis added]"[7]

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4 *Ontario (Attorney General) v Barfried Enterprises Ltd.*, 1963 CanLII 15 (SCC)

5 *Barfried* at pg. 577.

6 *Smith v Pluim,* 2015 ONSC 7945.

7 *Smith* at para. 17.

The Court in *Smith* goes on to rule that, in assessing whether an impugned transaction is 'harsh and unconscionable' to the extent that a court should exercise its discretion under the UTRA to annul or vary the contract, "*it must be established that either the terms are very unfair or that the consideration is grossly inadequate, <u>or that there was an inequality of bargaining power between the parties and that one of the parties took advantage of this.</u>*" [emphasis added][8]

While the UTRA has not been used extensively to have unfair, fraudulent or unconscionable transactions set aside, it is clear from the wording of the statute and its judicial treatment in the case law that it can be applied to set aside unfair deals, in circumstances where a vulnerable, compromised or unsophisticated individual has entered into an unfair agreement, in which the other party has taken advantage of the power imbalance between the respective parties.

In other words, the statute could be applied as a valuable tool for those looking to protect the elderly, or society's vulnerable, from being taken advantage of in the context of fraudulent or unconscionable transactions.

In these circumstances, a court applying the UTRA could rule that the "weaker" party was at such a disadvantage, and the terms of the deal were so harsh, that the vulnerable party did not actually give their free and informed consent to the contract and therefore the transaction should be set aside or varied in favour of the vulnerable party.

Hopefully, the UTRA will be considered more often in the future and utilized as a statutory mechanism to protect society's vulnerable from unconscionable agreements and to address the growing problem of elder fraud and financial abuse in Canada.

8 *Smith* at para. 21.

Article: Will Canada Have a Wealth Tax?

By Margaret O'Sullivan, L.L.B., TEP, O'Sullivan Estate Lawyers

Whether new forms of tax might be introduced on the Canadian scene, including an inheritance tax or wealth tax, has had currency in the last few years in the face of increasing government debt and income inequality. The tsunami that has hit government debt levels as a result of Covid-19 have made these issues only more relevant and top of mind.

Although governments may be loathe to introduce new forms of tax too soon for concern it will put a chill on a fragile economy, in order to pay for the enormous public debt brought about by Covid-19, more tax and possibly new types of tax appear to be on the horizon.

The idea of an annual wealth tax was raised in the Canadian context in the 2019 Federal election by the NDP, which proposed an annual wealth tax of 1% of total assets of $20M or more. Recently, Saskatchewan NDP leader Ryan Meili proposed a 1% tax on those with a net worth of more than $15M. In the Speech from the Throne, the government spoke of the need to identify new ways to tax extreme wealth inequality. But the government's Fall Economic Statement 2020 did not address how it would tackle this issue. And on November 4, 2020, the NDP introduced a motion in the House of Commons to introduce an annual wealth tax of 1% on total assets of over $20 million which was defeated on November 16, 2020 by a coalition of Liberals, Conservatives and the Bloc. Talk of wealth and inheritance taxes is buzzing - the latest edition of The Canadian

Tax Journal had no less than three articles on the topic.

South of the border, the 2019 campaigns of Elizabeth Warren and Bernie Saunders to be the Democratic Presidential nominee both included proposals for an annual wealth tax. Elizabeth Warren's "ultra millionaire tax" was for an annual tax of 2% on total assets of over $50 million.

Wealth taxes are not new – several European countries have had them, and many have abandoned them. Countries that currently have them include France, India, Italy, Norway, Belgium, Spain and Switzerland. Argentina is the most recent newcomer and on December 4, 2020 it introduced a one-off wealth tax for assets over approximately $2.5 million U.S. of up to 3.5% on wealth in Argentina and 5.25% outside of it to help pay for the coronavirus pandemic. Spain and Belgium have both recently increased their wealth taxes as well to help pay for the pandemic.

The idea of a wealth tax is to tax the value of a person's assets less debt. Some of the challenges that come are in the design of the tax, including who should pay and how to value assets. Some countries have lower thresholds and others have very high ones based on total net worth.

Another issue is whether the family unit should be taxed, or the individual. And should the value be progressive or flat?

Which assets should be taxed? All or only specified ones, such as real estate? France eventually abandoned its initial broad-based scheme in 2017 as unworkable and now limits its annual wealth tax to real estate-based assets.

It is of interest to note that in 1974 the UK Labour Government was elected on a platform which included introducing an annual wealth tax. But later on, in looking at its implementation, many practical problems were identified, including its potential negative economic impact on the UK. It was ultimately abandoned as unworkable and undesirable.

Most recently, the UK struck a Wealth Tax Commission to consider whether the UK should have a wealth tax. On December 9, 2020 the Commission released its final report. It recommends a one-off wealth tax of 5% on assets over £500,000 or progressive rates from 3% to 8%. The Commission did not recommend an annual wealth tax with its high administrative costs. The tax would apply to all U.K. residents regardless of their domicile status on the effective date, which it recommended be introduced without prior warning to minimize avoidance. It will be interesting to see the U.K. government's response to the report.

Historically, inheritance and wealth taxes have been poor revenue generators and very costly to administer. Their real social purpose may be to attempt to curb income and wealth inequality, or at least give the appearance of trying to do so. Some of the economic negatives include a potential flight of capital as high net worth individuals leave for more tax-friendly regimes, given the mobility of capital.

An annual wealth tax might be seen as a simple way to redistribute wealth in the face of increasing wealth and income inequality and concentration of wealth, but its efficacy must be thoroughly thought through, and not bandied about to cater to populist sentiment, so it looks like government is proactive on wealth and income equality.

Tackling income and wealth inequality by a wealth tax may not be the way to go in order to best achieve this objective. Our current Finance Minister, Chrystia Freeland, no doubt is consumed by the issue of growing income and wealth inequality, as evidenced in her writing, including her survey of the rise of the super rich and the super elites, the emergence of the so-called Second Gilded Age, and increased concentration of wealth in her 2013 book "Plutocrats".

Query whether a wealth tax can really make any dent into wealth redistribution or instead simply increases government coffers. Is inequality of income not better addressed by creating more equality of opportunity, including through education and removing barriers to allow more social mobility such as free or modest university and college tuition and skills training?

Wealth taxes and their social effects and whether they are "fair" are key considerations. Are they a form of confiscation? An affront to individual freedom in a democratic society? A form of "double taxation"? A harm to individual initiative and a penalty for the successful?

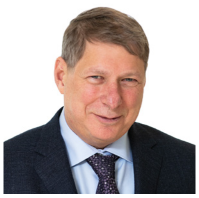
Crises often breed new taxes which are touted as being "temporary" but which inevitably become permanent. In the Canadian context, income tax was first introduced in 1917 as a temporary tax to pay for World War I.

Succession duties were introduced in Canada at the federal level in 1941 to help pay for World War II and stayed with us until 1971 federally when they were discontinued, and our capital gains regime came into effect.

The burning question is what new taxes might be introduced to help pay for the coronavirus pandemic and to address income inequality which has been only exacerbated by it, and will they be temporary or become the "new normal"?

Let the political debate begin as governments in Canada and worldwide struggle to find the best tax path forward to meet the combined challenges of both paying for the pandemic and income inequality.

Article: Alter Ego Trusts and Joint Spousal Trusts: Beware of the Traps



By Brian Nichols and Kelsey Horning, Goldman Sloan Nash & Haber LLP

Harold Rich is a wealthy man who owns a large portfolio of publicly traded securities. He wants to make provisions to protect his wife Stephanie and their daughter Laura after his death.

Stephanie is 69 and in the early stages of dementia. Stephanie lives a lavish lifestyle and is a big spender. Stephanie is fond of her son from a prior marriage, David. She paid for his post secondary education and loaned him money to buy a house. Harold is concerned that David might take financial advantage of Stephanie after Harold's death.

Stanley Rich is Harold's brother and a financial planner. He introduces Harold to alter ego and joint spousal trusts. Harold is particularly interested because of the potential to avoid probate fees and the ability to transfer property to the trust on a rollover basis.

Harold decides that the trust should be a joint spousal trust and that Laura and Stanley should be the trustees. To protect Laura, Harold wants the trust to be able to purchase life insurance on Stephanie. In addition, he wants a "limitation on benefits" provision which will allow the trustees to accumulate income after Harold's death if Stephanie has any financial difficulties or is not able to manage her property.

Stanley informs Harold that a life insurance provision may prevent the trust from qualifying as an alter ego or joint spousal trust because someone else, in Harold's case Laura, might benefit (see CRA Views, Conference, 2012-0435681C6 -- CALU CRA Roundtable Q2). Harold proceeds without a life insurance clause because having a rollover of his property to Stephanie is more important. Stanley arranges for the lawyer who often works with his office to draft the trust deed and Harold executes it. Harold then transfers his portfolio of securities to the trust on a tax-deferred rollover basis.

Some time later, Stanley informs Harold that a colleague identified a possible error in the trust deed. The trust deed included the limitation on benefits provision allowing the trustees to accumulate income after Harold's death. As a result, Stephanie may not be entitled to all the income each year. Stanley tells Harold that this means that the CRA may not consider the trust a joint spousal trust.

Harold asks an independent lawyer to review the trust deed and advise him about the consequences of the error. The lawyer confirms that the trust does not appear to be a joint spousal trust for the reasons Stanley's colleague identified. The lawyer also advises that it may qualify as an alter ego trust because Stephanie's entitlements do not begin until Harold's death. Harold is entitled to all income each year and he is the only one who may benefit from the income or capital before his death. However, the lawyer also informs him that an alter ego trust would not provide a rollover to Stephanie after Harold's death and that distributions to her would be taxable.

The Technical Details

Basics of Alter Ego and Joint Spousal Trusts

The *Income Tax Act* (the "Act") sets out the criteria for alter ego and joint spousal trusts. The conditions for an alter ego trust are that:

the trust must be created inter vivos after 1999, the taxpayer who created the trust had reached 65 years of age at the time the trust was created,

the taxpayer was entitled to receive all of the income of the trust arising before death, and

no person except the taxpayer could, before the taxpayer's death, receive or otherwise obtain the use of any of the income or capital of the trust.

The provisions for joint spousal trusts are similar but also allow the spouse to benefit.

Rollovers Into the Trust

The Act does not contain a general rollover for properties transferred into a trust. However, the Act contains a rollover for certain qualifying transfers. The qualifying transfer provisions are very similar to the alter ego and joint spousal trust requirements. If an attempted alter ego or joint spousal trust fails, the rollover will likely be unavailable. As such, the transfer to the trust would be taxable.

Rollover out of the Trust

Without corrective steps, Harold's alter ego trust would be subject to a deemed disposition on his death with no rollover to Stephanie available. This result may be worse than if he held the property personally. Property held personally would be subject to the deemed disposition on death but may be eligible for a rollover to a spouse.

Brian Nichols and Kelsey Horning are lawyers at Goldman Sloan Nash & Haber LLP in Toronto. Brian Nichols is a member of STEP Toronto. Originally published in STEP Inside

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Letters, announcements, opinions, comments from members

If you have an article or an idea that would be of interest to other members of STEP, please send them to Andreea Muth amuth@pallettvalo.com for consideration for inclusion in our next edition.

STEP continues to grow and we welcome membership inquiries. As a reminder, there are three routes to full membership; one based on experience (Assessment by Expertise) and two education routes (Assessment by Essay, Assessment by Exam).

If you know anyone who would be a good candidate for STEP membership, please direct them to the STEP Canada website for information.

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