



# Trustee Times

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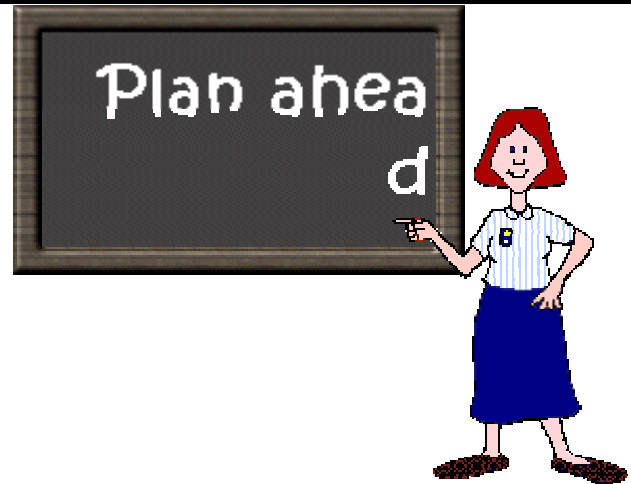
**New! New!**

*Planning Workbook Workshops:*

March 21 - Brampton

March 27 - Mississauga

Call Sue for more information!



It is that time of year again....income tax time! Where does the time go.... and didn't we all just complete our income tax forms from last year? Truth be told, it is far too easy to put off the things we don't like doing! We are **ALL** guilty of that! However, just like doing the income tax, it is often to our benefit to do those difficult jobs – because in the end, we reap the benefits. So it is with future planning. Who wants to plan for the time when they are no longer here? But as parents with children who have a disability, we must plan – carefully and thoroughly – to ensure that our children have what they need when we are gone. The benefits will be knowing our children are safe, have meaningful lives, are connected in their community and financially secure – what greater reward can there be than that?

## Henson Trust

Compiled from public sources by Dave Killins, June 2006

\*\*\*\*\*PLEASE NOTE: SEEK THE ADVICE OF YOUR TAX PLANNER, FINANCIAL PLANNER AND LAWYER –MAKE SURE YOU ARE INFORMED – THE ARTICLE BELOW IS FOR INFORMATION PURPOSES ONLY AND NOT TO BE SEEN AS ADVICE\*\*\*\*\*

By far the most powerful tool that can be used in financial planning for a disabled person is the Henson Trust. Leonard Henson who had a disabled daughter, Audrey Henson, passed away in 1985. He left his beneficiary of the trust. The ODSP disqualified Audrey Henson from receiving ODSP benefits because of the inheritance she had received. The case went to court and in 1989 the court dismissed the case in favour of Audrey Henson, ruling that money will not vest in Audrey Henson as she will only receive money at the unfettered discretion of the trustee.

Parents can elect to use the Preferred Beneficiary Election (PBE) to apply to have the funds in the trust taxed in the beneficiary's name to take advantage of a lower tax rate.

By setting up preferred beneficiary election for the discretionary testamentary or inter vivos trust, income will be taxed in the disabled person's hands. Also, the income from the trust will not effect ODSP benefits because it is only attributed income.

There is a \$100,000 asset exemption for non-*Henson* trusts. Exempt are a trust fund or funds created or derived from an inheritance and/or the cash surrender value of a life insurance policy, up to a cumulative total of \$100,000 for all trust funds and life insurance policies in this category. This means in effect that non-*Henson* trusts are subject to a \$100,000 cumulative lifetime limit.

Other relatives or friends may also make a bequest or leave insurance proceeds to the beneficiary with a disability, which will affect the \$100,000 lifetime limit unless placed in a *Henson* trust. Parents should contact these other relatives or friends to discuss this issue, or alternatively ask their permission for your financial planner to contact them. It would be valuable to discuss your estate plan with the legal and/or financial advisor of the other relatives or friends, for this reason in particular.

## Upcoming Events:

- ✓ Planning Workbook Seminar: Brampton March 21, 2007
- ✓ Planning Workbook Seminar: Mississauga, March 27, 2007
- ✓ Wills and Trusts Seminar: Bolton, April 17, 2007
- ✓ Professional Seminar: Mississauga, May 2, 2007

**CALL SUE FOR MORE INFORMATION!**

*Something to think about:*

*Are your LAWYER and FINANCIAL PLANNER attending the next Professional Seminar offered by STAS?*

*If not, why not????*

## **THERE IS A NEED TO CAREFULLY PLAN Ahead**

Many individuals who have a disability are supported at home by their aging parents. These parents may not be connected to other community service agencies or be informed as to the specialized planning that must be done to ensure the security - financial and overall - and to protect the future needs of their children who have a disability.

Other parents are under the impression that the Government will assume responsibility for their child once they are gone. Peel Social Service agencies are not able to guarantee the level or length of service they can offer to individuals who have a disability throughout their lifetime which may be considerably over 50 years.

With Peel Region's aging population, more individuals who have a disability will need support from social service agencies. Today social service funding in Peel has fallen behind that of other regions in Ontario and the waiting lists for services and support are increasing. The Residential Services Management Committee of Peel Region has hundreds of names for residential placements. Many individuals in Peel Region who have a disability may never be supported residentially. Their need for ongoing support will never be realized. The onus is on parents to provide for their child who has a disability. Parents must be proactive and creative when planning for the future.

**"The service that STAS offers is one of a kind in Ontario."**

STAS can help with the planning process. Simply contact STAS directly, or your service coordinator and he/she will contact Sue. Sue is happy to meet with you at your convenience and share the resources she has, as well as a copy of the Planning Workbook. STAS is a free resource available to families with a family member who has an intellectual disability. However, the information that STAS makes available is relevant to any family with a family member who has a disability. Remember that the resources STAS has are also available to other family members - cousins, Aunts, Uncles and Grandparents!



### **STAS Planning Workbook**

Is available free of charge to interested families!

For more information call Sue at 905-542-2694 ext. 2312



Is it time to renew your membership??



**new members wanted .  
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To learn more about STAS, simply complete the form below and mail or fax it to STAS at 905-542-0987. Alternately, contact our coordinator, Sue Taggart at 905-542-2694 ext. 2312 or 905-453-8841 ext. 548:

I want to learn more about STAS!

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

email: \_\_\_\_\_

telephone: \_\_\_\_\_ home

\_\_\_\_\_ work

I want to be a member! My registration form and \$10.00 membership fee are included!

I want to purchase a print - please contact me!

I want to be meet with the coordinator regarding future planning!

I want to know when there will be a wills and estates seminar