



CASE FACTS

Client: Patricia, 53, and husband Larry, 55

Circumstance: Death of mother

Goal: Carry out mother's last wishes and wisely manage inheritance

Monthly net income:

Monthly expenses:

Assets: Including inheritance

Liabilities:

Case Study: Patricia—*inheriting responsibility*

*When it comes to saving and investing, women face specific challenges. Franklin Templeton Investments' **Own Your Future** program has been created by women for women to help you take charge of your financial well-being.*

Becoming executor of a parent's estate is an enormous responsibility

PROPER PLANNING CAN MAKE IT EASIER

Many people find themselves managing a parent's estate, but few are prepared to effectively take on such a responsibility. While your own life circumstances may differ from those of Patricia, the steps required to fulfill her role as executor and manager of her own inheritance may apply to you.

Patricia's story

Patricia, a 53-year-old high school teacher, has been married for 30 years and is the mother of two teenage daughters. She has a younger sister who is childless. After several years of frail health, the death of their mother two days earlier has been an enormous loss for the family, especially since their father had passed away 10 years earlier. Patricia, however, cannot afford to lose herself in grief, because with her mother's passing she must carry out the duties of her new role as executor of her parents' estate.

Both parents were doctors. Over the years, they had built up a large and complex estate; however, they were meticulously organized and kept a binder containing documentation for all their assets, liabilities, statements and the institutions where their financial and insurance products were held. Patricia learned that her mother had set up two trusts for Patricia's daughters so they could complete their education. The remaining inheritance was to be split evenly between Patricia and her sister.

Patricia's challenges

As executor, Patricia has three important tasks ahead of her:

- Ensure her mother's wishes are met with a smooth transition of the estate's assets to her sister, her daughters and herself.
- Where appropriate, properly liquidate her mother's assets.
- Develop a plan to manage her inheritance and her daughters' investment trusts.

Patricia has a financial advisor who has managed her registered and non-registered assets for many years. She meets with her advisor annually but is unsure if he has the expertise to handle the added complexity of her situation.



Patricia's strategy to gain control

There are two issues facing Patricia. The first is her role as executor and trustee of her mother's estate. The second is managing the money she has inherited.

STEP 1: Meet with her advisor.

Patricia needs to feel confident that her current advisor is qualified to provide the guidance she will require. If not, she will need to find someone with expertise in trust and estate matters (refer to *Working with Your Advisor*).

STEP 2: Provide for immediate cash needs.

Patricia needs to acquire a thorough understanding of her role as the estate's executor and identify all her mother's assets (refer to *Your Role as an Estate Executor*). She then needs to look after immediate expenses, including:

- Mother's existing debt
- Funeral costs
- Any levies or taxes incurred

In addition, as trustee for the assets willed to her daughters, she needs to determine who will manage those assets.

STEP 3: Take stock.

Patricia needs to decide if she is going to co-mingle her existing assets with the assets she is inheriting. Using the checklists provided, she can gain a better understanding of the best strategy for investing her inheritance. Her advisor can help her understand her options.

STEP 4: Develop a long-term plan.

Working closely with the advisor, Patricia and her husband can create an investment plan that incorporates the family's current financial situation, risk tolerance and investment objectives.

Own your future today.

Whatever your life situation, now is the time to take control of your financial future. The first step is to find the right financial advisor (please refer to *Working with Your Advisor*). Get organized; it's easier to manage your financial affairs with documents and information at your fingertips (refer to *Your Financial Checklist*).

