

## **Wills, Trusts & Estates: Glossary of Relevant Terms**

### **Assets**

Things that you own such as cash, personal property that can be turned into cash, or certain types of money in a trust.

### **Attorney**

An attorney is a person who has been chosen to make important decisions for someone else.

### **Capital Gain**

If you sell a share or asset for a higher price than you paid for it, the profit you receive is called capital gain.

### **Disability Assistance**

A benefits program of the British Columbia government, managed and delivered by the Ministry of Social Development and Poverty Reduction (MSDPR). Disability assistance is sometimes called "PWD", which is an abbreviation for "persons with disabilities".

### **Disability Tax Credit (DTC)**

A federal tax credit (with corresponding provincial tax credit) that reduces income taxes payable. This credit is given in recognition of a disability that restricts your activities of daily living. (See **Tax Credits**)

### **Discretionary**

Having discretion means having freedom to make certain decisions.

### **Discretionary Trust**

A type of trust, in which the trustee (the person managing the trust) is free to decide whether and when to give money from the trust to the beneficiary. The beneficiary cannot demand that funds be released. (See **Trust**)

### **Eligibility / eligible**

Being eligible for something means being qualified for it or meeting the requirements. For example, if you are eligible for PWD, this means you meet all the requirements for receiving PWD benefits.

## **Estate Trustee (also referred to as an “Executor”)**

The person who makes sure that the instructions in your will are carried out after you die (**See Will**).

## **Executing**

Executing documents (such as Powers of Attorney) means signing them so as to make them legally valid.

## **Guardianship**

Someone else (“the guardian”) has been appointed by the court to make decisions for you.

## **Income Support**

A monthly payment intended to help you pay for living expenses, like food and housing.

## **Investment**

An asset that you purchase with the hope that it will provide income in the future or will be sold at a higher price for a profit. (**See Assets**)

## **Lifetime Benefit Trust**

A personal, testamentary trust designed specifically for beneficiaries (a spouse, a child, or a grandchild of the deceased individual) who are financially dependent and living with a cognitive disability. It’s used to transfer registered retirement funds to an adult dependent child to facilitate tax savings.

## **Living or Inter Vivos Trust**

A type of trust, which is established while the settlor (person setting up the trust) is still alive. The name means “among living people” in Latin. An *inter vivos* trust is set up by means of legal documents other than a will. (**See Trust**)

## **Managing money**

This means making decisions about money, such as what type of bank account to have and whether to save money or spend it.

## **Non-discretionary Trust**

A type of trust, in which the trustee does not have complete authority to decide about payments to the beneficiary. The trustee is not permitted to hold funds back if a request has been made by the beneficiary, who may or may not have been the settlor. (**See Trust**)

**Residual Beneficiary (also referred to as “Ultimate Beneficiary”)**

The person or entity that receives the residual funds from the trust after all other named beneficiary/ies die(s).

**Tax Deductions**

An expense that you can deduct from your income. By reducing your income, you reduce your amount of tax owing.

**Testamentary Trust**

A type of trust, which is set up by someone (the settlor) in his or her will. It does not exist until after the settlor dies. Parents often choose this method to ensure that an adult child with a disability will have funds to live on after the parents are gone.

**Trust**

A legal arrangement set up by one person (the settlor) to give assets to one or more trustees to hold and use for the benefit of some else, who is called the beneficiary.

**Trustees**

A person named in a will or trust document to manage money or other the assets for someone else, who is called the beneficiary.

**Will**

The legal document that takes effect upon your death and tells people what to do with your estate. It helps makes life easier for those left behind by providing a plan for them to follow and by naming who is in charge.