



Wealth
Management



Alter ego and joint partner trusts

An estate planning strategy to protect your wealth

Ce document est aussi disponible en français.

This document is also available in French.

You've taken a lifetime to accumulate your wealth. You want to ensure that your estate is well protected and that your assets are managed according to your wishes, both during your lifetime and beyond.

You can use an alter ego or joint partner trust in many different ways to achieve your personal objectives.

An alter ego or joint spousal or common-law partner trust ("joint partner trust") can help you do just that by minimizing probate taxes, protecting your capital from potential undue influence and giving you peace of mind knowing that your finances are being managed professionally and with confidence.

Unlike a trust created in your Will, an alter ego or joint partner trust is a form of inter vivos or "living" trust that allows you to transfer assets while alive to the trust on a tax-deferred basis, and when drafted correctly, should ensure that those assets will not be subject to costly probate taxes upon estate settlement.

This unique retirement and estate planning tool ensures that only you (or your spouse/partner*) are entitled to the trust assets and can receive the income from the trust during your lifetime. It also ensures that the remaining capital at the time of your death (or the last to die of a joint partner trust) is distributed to your chosen beneficiaries.

You can choose to name RBC Royal Trust® as sole trustee, co-trustee, agent for trustee or successor trustee**. This provides the benefit of professional advice and

administrative support when dealing with potentially complex family dynamics. The alter ego or joint partner trust structure provides security of sound financial insight and continuity of trust administration, now and into the future.

An alter ego or joint partner trust may be right for you if:

- You are 65 years of age or older
- You are a resident of Canada

Benefits of an alter ego or joint partner trust***

You can use an alter ego or joint partner trust in many different ways to achieve your personal objectives, add flexibility to your retirement and estate planning. Some factors that may favour our alter ego and joint partner trust service may include:

Complex family dynamics

If you have complex family dynamics, including a blended family where you want to provide for both your current spouse during their lifetime and your children from a previous relationship after your spouse's death.

* Joint partner trusts have the same structure as alter ego trusts, except that the partners are both joint beneficiaries during their lifetimes.

** Naming or appointing RBC Royal Trust refers to appointing either Royal Trust Corporation of Canada or The Royal Trust Company.

*** Please note: Many of the advantages and benefits set out above do not apply in the province of Quebec. To understand the potential benefits to using an alter ego or joint partner trust under the laws of Quebec, please consult with your professional advisor.

Reduction of probate tax

Assets properly transferred into a valid and effectively drafted alter ego or joint partner trust will not generally form part of the assets of your estate and are therefore not subject to probate tax.

Asset protection

With proper planning, assets in the trust may be protected from certain creditors or other unwanted influences.

Continuity of asset/property management

By transferring your property into an alter ego trust or joint partner trust, your trustees will be able to continue to manage your assets in the event of your incapacity. Furthermore, you may be able to minimize disruptions to the management of your assets upon your death since the trustees of your trust will not need to obtain probate in order to administer the trust assets or transfer them to your beneficiaries.

No deemed disposition of assets on transfers in

Assets are transferred into the trust on a tax-deferred basis without the immediate tax consequences of a deemed disposition or a 21-year deemed disposition (unlike most other types of inter vivos trusts) in order to administer the trust assets or transfer them to your beneficiaries.

Privacy and confidentiality

Unlike the probate process, which can involve public disclosure of estate assets and value, the contents of an alter ego or joint partner trust are not publicly

disclosed, and the assets within the trust do not form part of your estate. The trust document that governs the trust is a private document and not generally subject to public scrutiny.

How we can help

An alter ego or joint partner trust can help you ensure that your family's wealth and privacy is protected, today and in the future. We are committed, as your trustee, to providing you with strong, knowledgeable support, guiding you as you establish your legacy.

Our trustee services

We can:

- Work with you and your advisors to assess your unique needs and goals to provide a tailored and customized solution
 - Act as sole trustee or co-trustee (along with you, a family member or a friend)
 - Act as agent for trustee where we can assist trustees in completing these tasks while they retain full decision-making authority
 - Act as successor trustee should a family member or friend who was appointed trustee be unable to fulfill their role
 - Consolidate your assets and collect investment income from those assets
 - Maintain records of all transactions related to the trust and provide regular reporting on both investments and cash transactions
- Provide an annual account review and cash flow analysis to support your budgeting requirements
 - Redirect and pay your bills and invoices to third party providers (can include bills related to real property, accommodations, medical expenses, tax installments, etc.)
 - Provide access to professional investment management as required
 - Provide tax expertise to prepare tax returns and make any required payments
 - Provide a complimentary Will review

Collaborating with your investment team

Your dedicated RBC Royal Trust advisor will carry out the duties as the trustee, alone or together with you as the settlor or another chosen individual. As trustees, we can collaborate closely with your investment advisor, who will continue to manage all of your personal investment needs and the assets in the trust.

For more information, speak with an RBC® advisor, call us at **1-855-833-6511** or visit our website at [rbc.com/royaltrust](https://www.rbc.com/royaltrust).

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