

## JOINTLY HELD ASSETS

The most common ways people hold the title to assets are:

- sole owner - one name only;
- joint owner - two or more names with a right of survivorship.

If you are the only owner, you will have complete control of your assets during your lifetime and will be able to give them by will after your death.

Two or more people may own assets jointly. This kind of ownership is distinguished by the legal right of the survivor to ownership of the property. The assets held jointly are not *generally* part of the estate of the deceased joint owner. There are some exceptions.

### **Probate**

It is often assumed that if all your assets are held jointly, you do not need a will. There are many reasons for needing a will. These include:

- (1) Not all assets will be held jointly.
- (2) You may die at the same time as your joint owner, or you may be the survivor who then dies without a will.
- (3) There are planning strategies available by will that cannot occur outside the will.
- (4) You will need an executor to settle your financial affairs, including income tax filings and liabilities.

### **Advantages of Joint Ownership**

There are advantages to *true* joint ownership. The right of survivorship means that jointly held assets pass to the survivor, avoiding probate fees, some solicitors' fees, some creditors, and publicity. The transfer of title occurs immediately on death, which is very convenient for the survivor.

### **Disadvantages**

There are disadvantages to joint ownership which you should consider before any transfer into joint ownership. If you place your property in joint ownership by way of a gift with your spouse or minor children, you will continue to pay all of the income tax on the income earned by the joint property. However, since there are now new owners, you will no longer be able to dispose of the property as you see fit.

There are other legal and tax consequences which should be discussed. For example, part of your home might no longer be a principal residence for tax purposes if the new joint owner already has a principal residence.