Make your family's estate planning conversations go smoothly

Estate discussions are some of the most difficult conversations to have. Here are some ideas on how to have a productive talk with your family.

Estate planning conversations may be the most difficult personal finance–related discussions to have with family members. Money talks already trend towards being fraught, but adding end-of-life considerations into the mix can make those chats even more uncomfortable. However, these are crucial conversations to have—it would take years to count up all the court cases involving family fights over estate plans that weren't effectively communicated to spouses, offspring, and relatives.

If everyone can come to the table with an open mind, estate planning doesn't have to be as tough a topic to tackle. Here are some ideas on how to approach these conversations so they can go more smoothly.

Have the talk before it's too late

Many people make the mistake of broaching the subject only once their health declines. If you become too sick, there is a risk of running out of time before you manage to, not to mention potentially losing the energy and ability to do so on your terms (i.e., becoming incapacitated). As well, it's that much less emotional for everyone involved to talk about your eventual death when you are healthy and full of life. Start the discussions now and then tweak your plans as you age.

Schedule a meeting

This isn't a topic you want to bring up out of the blue. By scheduling a meeting—either as a group or with each family member individually—you can assure your loved ones that there's nothing to worry about and make sure they're in the right headspace to talk. If planning a meeting feels a bit out of left field, you can use a milestone birthday, retirement, or even an article you read (like this one) as an instigating factor.

Come prepared

Ideally, you should have already consulted with a lawyer and an estate planning professional before you speak with your family. Otherwise, you could be basing your decisions on incomplete information. Say, for example, you want your eldest daughter who lives in the U.S. to be the executor of your estate because she is the most capable. What you may not realize, though, is that non-residents of Canada may run into some difficulties as executors—from added tax implications to operating a Canadian bank account. There can be impacts even if your executor lives in Canada, but in another province. This is why consulting with estate planning professionals and lawyers is important.

Articulate your thinking

While you might be concerned that your family will dislike some of your decisions, it's much better to bring everything to light now while you can explain your reasoning, rather than leave them guessing—or arguing with each other—after you're gone. For example, if you choose someone other than a child to have power of attorney or to be an executor, you can explain that it's a stressful role and you wanted to spare them the worry and the work. Similarly, if you leave a larger inheritance to one child because you provided more financial assistance to their sibling during your lifetime, you can explain that your decision is meant to even things out rather than favour anyone.

Leave time for questions

It's hard to know how your decisions will be perceived by others. Some choices may seem intuitive and logical to you, especially after you've gotten advice from a professional, but your family may not understand the tax implications or other factors underlying them. To avoid any misunderstandings, provide an opportunity for questions—and be prepared to answer them. Afterwards (since estate planning can get complicated and it may be difficult to have all the answers up front), consider consulting with an estate planning specialist again to ensure you're not missing something, or if a question requires further investigation.

It's also a good idea to provide everyone a written summary after meeting to ensure that everyone has a record of what was discussed and is on the same page.

Remind family that your plans may change

Estate plans should be reassessed periodically, especially if any significant changes happen in the family, such as a marriage, divorce, or the birth of a child or grandchild. Be clear that you may choose to amend your decisions in the future, but that you'll let them know if and when you do.

While we'd all prefer to discuss more lighthearted subjects with our families, it's important to make time for serious conversations, such as estate planning, as well. With a little bit of advance preparation, you can have an open and honest exchange that can hopefully leave everyone satisfied. When the time does come, your family can focus on their own healing rather than your finances.