

Wealth Reflections

Insights on building, preserving and passing wealth – Gwen K. Harvey

What does your Family Medical Trust look like?

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If you or a family member had a serious illness or accident where would you draw monies from? Would your concerns be purely financial or would access to second opinions and alternatives also be part of the issue?

Think about a Family Medical Trust as not a true trust structure but rather a concept dealing with where you would find the funding for medical issues. What could be the components of this “trust”?

Generally if your family is young and growing, your Family Medical Trust likely consists of the following:

- The health benefits within your insured group medical plan
- The short term or long term disability compensation in your group plan at work

If more is required, savings on hand or taxable RRSP withdrawals can become a costly route to deal with the situation and can seriously impact your long term financial stability.

In this case it is best to consider adding:

- Individual “top-up” disability coverage for uninsured bonuses or higher levels of income
- Critical Illness programs
- Long Term Care benefits

It is always a challenge to cope in a time of crisis. In Canada today this can be compounded by long wait times, variable

access to services and facilities and difficulty navigating the healthcare system. Not only will some of these programs provide financial funding but they can also provide access to medical resources, second opinions, knowledge of alternatives and family support services.

If your family has become financially independent and you are confident that there are surpluses over and above your future needs, your Family Medical Trust will notionally come from this excess. What should you consider?

- Who is to be covered within your Family Medical Trust?
- Are children and grandchildren included?
- Have you communicated how you would help your family?
- Would it make sense to encourage the next generation to become more independent and develop their own plans for themselves and their future families?

Each of us has a conceptual Family Medical Trust in place. By default we have some resources to call on. However, if we take some time to think and plan ahead of a health crisis we have more choices and the opportunity for better results.

If you have any questions about this, please give us a call.