

August 2023

Letter of Wishes

Writing a Letter of Wishes is an essential component of a complete estate plan. A Letter of Wishes, often referred to as a letter of instruction, or letter of intent, is an invaluable part of your estate plan. It provides vital information to anyone who will be involved in the settlement of your estate and delivers valuable insight into why you made some of the decisions you made in drafting your final will.

It is important to note that this letter is an informal add-on to your formal will documents and the information contained within it is intended as a guideline to fiduciaries, beneficiaries, or other heirs. A Letter of Wishes is non-binding on your executor(s) as they work with the more formal documents drawn by your lawyer.

You could write one letter trying to capture as many of the important items you wish to highlight, or you could write separate letters to specific groups, such as one letter to your children as to how you see this inheritance impacting their lives, one to bankers, lawyers, accountants, etc. outlining why you made certain decisions, or perhaps a separate letter to minors or guardians of those minors about how you wish them to handle their inheritance to achieve the goals you have for them. How you do this is an individual preference. We at One Sports are here to help choose the solution that works best for your situation.

A few key areas you may want to address with your Letter of Wishes are:

1. You may want to provide some guidance to your attorneys for Power of Attorney, either financial or for health care, regarding terms of dealing with issues under their appointed powers in accordance with your wishes. Remember that under a power of attorney, you are still alive but temporarily unable to act or answer for yourself. The appointed attorney makes those decisions. It would be very beneficial to give them a blueprint as to your values and beliefs during a time when you were more able to articulate them.
2. Important family advisors, including professionals and anyone addressed in your formal estate documents, would also benefit from some “insider knowledge” that a Letter of Wishes can capture. Executors would find it extremely valuable to have some background as to why, or why not, you made certain decisions.
3. It is important to account for all your assets, including digital assets, insurance information, details on real estate owned, etc. It would also be helpful to indicate to your executor where certain legal documents, financial statements, and other pertinent assets are held, such as safe deposit boxes, lawyers’ office, etc.
4. If you record account numbers or passwords, etc. for any digital assets we strongly recommend you ensure that information is kept secure and updated, as necessary.

The opinions expressed herein are those of the ONE Sports + Entertainment Group. ONE Sports does not provide tax, legal, or accounting advice. You should discuss your individual circumstances with professionals in those areas.
ONE Sports Power Play

5. A Letter of Wishes is also a good place to indicate funeral and burial instructions, particularly if you have pre-paid the expense with a funeral home. Information such as burial plots, etc. is extremely important to pass on to your executor. Including this information in the formal will documentation becomes a matter of public record. A Letter of Wishes therefore, is a great alternative to safeguard your privacy.
6. Your letter may also include certain statements of your life view - religious, philosophical, political, etc. If these views provide guidance to instruct the various people involved with the finalization of your estate, you should share that information. When the time comes for your health care agents to make decisions on your behalf, the more information the better to enable them to make decisions based not on their individual beliefs and values, but to be sure to follow those values and beliefs that reflect you and the way you lived your life to this point.

Whether you decide to cover everything in one all-encompassing letter or separate letters to specific parties, this type of letter can be critical in explaining why you made certain decisions when planning your estate. By communicating your wishes, beliefs, and values you provide colour to the overall picture that is your complete estate plan. A Letter of Wishes provides a valuable commentary to the vital matters that give guidance to those people you have designated in your powers of attorney and in your final will.

It becomes extremely beneficial when preparing your estate documents to:

1. Have those important conversations about your wishes with everyone relevant to your situation, culminating with the creation of one or several Letters of Wishes.
2. Have a professional assist you in ensuring the necessary documents are in order and that the will is up to date, witnessed and signed. In addition to documenting your wishes for the estate, you should also document end-of-life wishes, a living will, and ethical will or up-to-date power of attorney for personal care.
3. Assign beneficiaries to all applicable registered accounts, life insurances, etc. This will save probate fees and clarifies your wishes with those types of assets.

One Sports Tidbits

Power of Attorney Recap

A Power of Attorney is a legal document with which a principal authorizes an agent to act on the grantor's (principal) behalf and for the grantor's benefit.

A power of attorney for finances focuses on addressing the grantor's financial matters (banking, paying taxes etc.). It can be "springing," which means it becomes effective only when the grantor becomes incapacitated.

A medical power of attorney, sometimes called a living will, is a legal document that allows the grantor to authorize an agent to make health care decisions on their behalf when the grantor is unable to do so on their own. It is this type of power of attorney where the agent(s) generally know the grantor well enough (see #6 above) to be able to convey the wishes, values and beliefs held by the grantor while he/she is unable to express those for themselves.

Enjoy your summer, travel safely, and hug your family every day!

Your team at One Sports + Entertainment