

Think twice on adding your child

I have had many clients come in and say "I'd like to add my son or daughter's name to my home because it is a lot easier after I die and the government takes a lot if I don't..."

Well, first...yes, it is easier if a child was added to your home as a joint tenant with the right of survivorship, and then if, or shall I say when, you die, the title of your home will pass to that child automatically, upon proof of death.

There is no need to apply for letters of probate to dispose of that asset. So, what is the cost of probate fees to the Government of B.C.? Most people I've spoken to believe it is between 25 and 50 per cent but in fact, it is less than two per cent.

As an example, let's say your home is worth \$300,000 when you died and the home was in your name as the sole owner. The probate fees your estate would have to pay would be less than \$6,000. Your estate may also have to hire a lawyer to assist you in your application for letters of probate which, in the case of an uncomplicated estate with a home and bank deposits, hopefully would cost less than \$4,000 in legal fees. Well then that sounds pretty good doesn't it...a savings of about \$10,000 - or does it?

What are you giving up or risking if you add a child's name to the title of your home?

First: If you transfer or add your child's name to your home, you must

register that child as a 50 per cent owner to obtain joint tenancy - whereby the home passes to that child upon death avoiding probate. When you add your child's name to your title, you are, therefore, gifting one-half of your home to him or her right now.

But, if you had a fight or disagreement with that child you then couldn't say, I'll remove him or her from my title - because the child now owns 50 per cent of the home. What if you wanted to sell the home and your child didn't want to? You could be prevented from doing so unless you were granted permission. For some people, this is a loss of their independence.

Second: What if after you transferred a 1/2 interest in your home to your child, your child becomes in trouble financially? Could the creditor put a lien on your home, considering the house is now registered in that child's name too? Possibly. Could that child place a mortgage on his 1/2 interest in your home? Yes, he can.

Third: What if that child of yours and his/her spouse separate or divorce and the separated spouse said "Wait a minute, I own one half of your child's interest in your house." Would he or she be successful in that claim? Possibly....

Fourth: What if there are income tax issues/ capital gains that your child would have to pay because he or she has a registered interest in your home and your home is not their principal residence. Let's say your home is worth \$500,000 in today's market and hopefully you will live to a good long age - but what if in ten or twenty years your home has doubled in value. Will your child

have to pay a capital gains tax on that increase in value on his share of the home? I would recommend you consult an accountant prior to any such transfer to obtain the necessary tax advice in order to avoid surprises, and capital gains tax.

Fifth: What if you had more than one child? Would you add more than one child's name to title so that it would pass to all the children upon your death? Some people think to only put one of the children's names on the home and that child will share with their siblings, but in fact that child is only morally bound and not legally bound to share with his or her siblings. Money does funny things to people and especially upon the death of a parent. If you add more than the one child's name to your title/home the risks could be compounded...

So when is it a good time to add a child's name to your home?

- Perhaps when one is quite aged and there is only one parent left.
- If there is only one child who will inherit the entire estate - whom you love and trust.
- Will this be your last home or do you plan on buying a condo in your later years and if so, then perhaps re-address this issue at that time.
- When you are willing to take the risk that your child will not endanger your property, through creditors and/or spouses.
- You are in an end of life situation.
- You are satisfied with your accountant's advice about the tax ramifications for this transfer.

Just food for thought...but consider all the facts before making your decision.

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tion - many infected patients show no signs and symptoms, but realize that they have been infected. Later in life, they are told they have been infected with the virus of abnormal lab tests.

The hepatitis B virus is found in the liver of 10 to 15 per cent of the population. It infects. Some of these people will develop liver cirrhosis or cancer.

Treatment is available for people who have ongoing liver damage. If hepatitis B virus is detected in their blood, as in their liver, these people may need of antiviral drugs. These drugs are obtainable. They are a help for the chronic hepatitis B patient.

Prevention in the form of a vaccine is possible. All infants now receive hepatitis B vaccine. Since it has been in wide use, a drop in the infection rate has been noted in the U.S. Adults who had not had childhood vaccination should be vaccinated if they are at risk of catching this illness.

Having many sexual partners, people who have sex with men, intravenous drug users, sexual partners who are infected person and health care workers are considered to be at high risk and should get the vaccine.

The booklet on hepatitis A, B and C infections.

DEAR DR. DONOHUE: I've read various articles concerning the danger of cooking with aluminum cookware. What is your opinion on this matter?

ANSWER: Let me give you the opinion of experts.

The World Health Organization, the Environmental Protection Agency and the National Institute of Health all say that aluminum cookware is safe. It releases very little aluminum - amounts of aluminum that are not considered a health hazard. I don't hesitate to eat from aluminum pots or pans.

Dr Donohue's column appears weekdays in the Herald.

