

PLANNING MATTERS

Quarterly Financial Planning Newsletter
from Coleman Wealth



Spring 2018 - 1st Edition

Important Dates and Numbers

Andrea is off on maternity leave as of June 1!

Maximum RRSP limit for 2018: 18% of earned income up to maximum of \$26,230
TFSA limit for 2018: \$5,500, if over age 18
Cumulative TFSA limit: \$57,500 if (over age 18) since 2009

Maximum RESP contribution: Unlimited annual up to lifetime maximum of \$50,000 per beneficiary

Annual RESP contribution for maximum Canada Education Savings Grant: 20% of first \$2,500 per beneficiary (\$500 grant) plus 20% of next \$2,500 per beneficiary if carryforward room is available (additional \$500 grant). Maximum annual CESG = \$1,000/year per beneficiary

Pedro and Nik's Tips and Tricks

- **Pedro:** Sending us your 2017 notice of assessment will help us to know if you have any capital losses that we can use to offset any capital gains in your non-registered accounts this year.
- **Nik:** We have the capability of setting up automatic savings plans on a monthly basis, so that your savings don't have to be an afterthought! Contact me for more details.

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May is Raymond James Cares Month!



Every May, Raymond James employees participate in a month-long volunteering effort to ensure that we continue to give back to our community. Three weeks into May, over 1000 hours have been volunteered across Canada by 350 Raymond James employees, and 68 units of blood have been donated to Canadian Blood Services.

The Coleman Wealth team were active participants in Raymond James Cares this year. Vikki donated blood and volunteered at the Scott Mission, where people in need of a meal or a bed to sleep in for the night can find respite.

Nik was involved in helping to raise \$65,000 for ErinOak Kids at a Skate-a-Thon in February. In early May, he also volunteered at the Prom Project, created by the Hamilton District School Board, in hopes of providing formal wear to those who could not afford to purchase brand new tuxes and gowns.

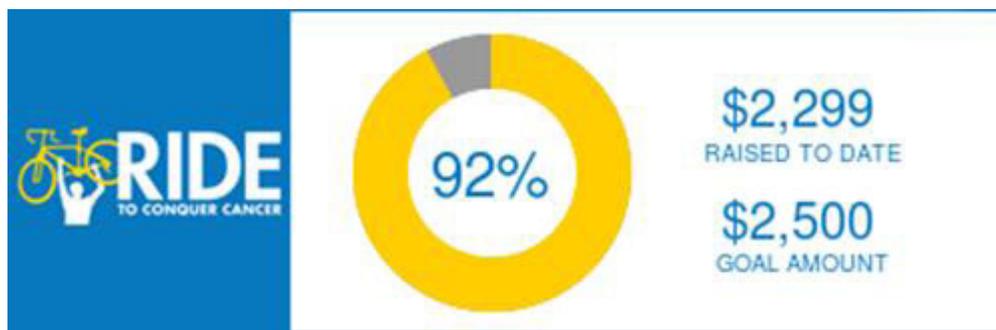


ErinOak Kids

Lastly, Nik will also be participating in the Ride to Conquer Cancer on June 9-10. He'll be riding 200km between Toronto and Niagara in hopes of supporting the Princess Margaret Cancer Research Foundation. His goal is to raise \$2,500 – any support given is appreciated (click on the link below if you'd like to support!).



Prom Project



Annuities: Are they worth it?

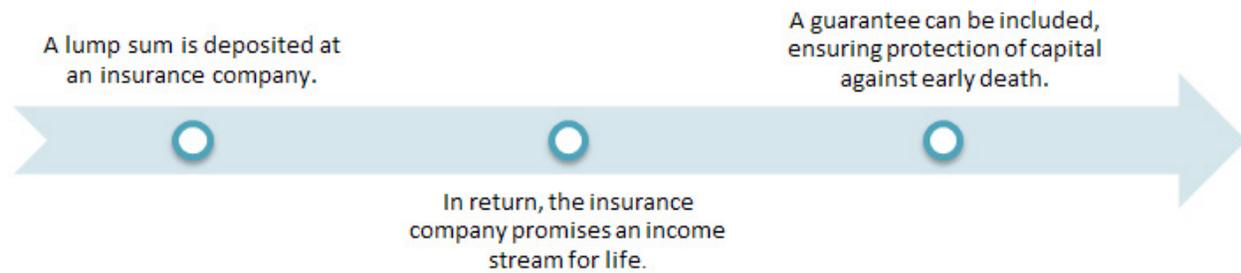
Manulife Financial, one of Canada's largest insurance companies, has announced that they are discontinuing the sale of annuities as of the end of June. This is material, as we have been exploring ways for our clients to ensure their income and assets are properly set up for a longer retirement lifespan.

Annuities used to be the only option for those converting out of an RRSP; therefore, Canadians were very familiar with them. However, with the introduction of RRIF accounts, and the impact of lowering interest rates since the 1980s, fewer Canadians have looked at annuities as a part of their retirement income planning.

According to a study by Ipsos for RBC Insurance*, 62% of Canadians are worried about outliving their retirement savings, but only 12% of those surveyed have explored or are using an annuity to dispel that longevity risk.

How do annuities work?

There are different types of annuities, so the one we will focus on is referred to as a 'life annuity', where income is provided for your lifetime. Think of it as a defined benefit pension plan. This can be purchased inside of a registered account (RRIF, LIF) a TFSA or a non-registered account. It can be structured to be indexed with inflation, or kept level. You can determine a set amount of income that you'd like to receive, or you can dedicate a specific dollar value to create an income stream from.



When do annuities work best?

Since the income from an annuity is calculated based primarily on your gender and age (which determines your life expectancy), they typically work best for those over age 60. They are beneficial for those who want to create more certainty within their income stream over the long term, and those who wish to eliminate any market risk associated with their income. If you are a GIC holder, then an annuity might be a better way to create a guaranteed amount of income.

Contact the team if you'd like to explore if an annuity would work for your retirement income plan!

*Source: <https://insurance-journal.ca/article/canadians-lack-awareness-about-annuities/>

What happens to your social media accounts at death?

Our digital presence is undeniable: regardless of age, people are connecting on Facebook, Twitter, Instagram and LinkedIn, and putting an increasing amount of data and information online. What happens to these accounts if you or a loved one passes away?

This happened to me last year when my grandma passed away. As the executor of her estate, I had no access to her Facebook account so could not make any changes to it. A friend of mine passed away over 10 years ago and his Facebook page is still going strong. It can sometimes be nice to go and 'check in', however for some families they would prefer to remove the account as part of the grieving process.

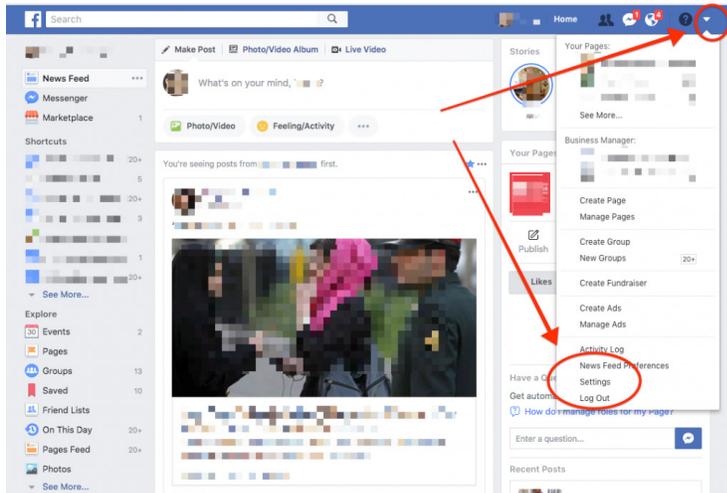
What can you do?

Using a password worksheet as part of your estate documentation can be the first step to providing the required information for your executor to login to your social media accounts to deactivate or delete it. We have enclosed a copy of this along with the newsletter for your use.

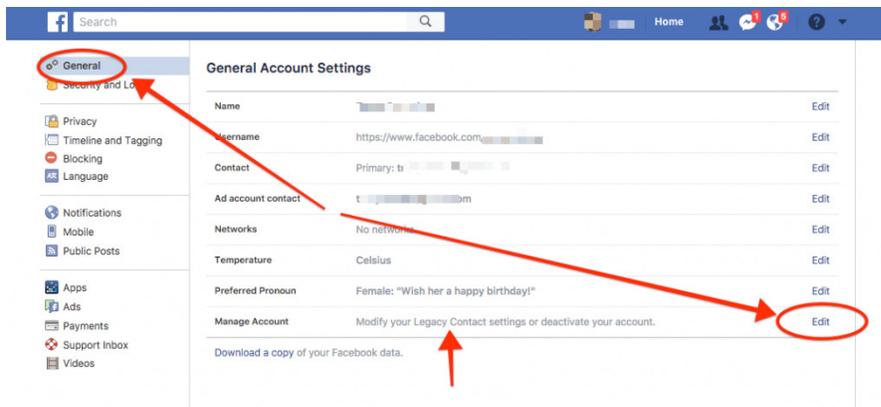
If you want to change the settings on your social media accounts, this may be possible, however not all of the social media sites have figured this out as of yet.

Facebook

1. Click the down arrow on the far right side of the top blue bar, and then click “Settings”.



2. Click “General” then the “Edit” link in the bottom right-hand corner for “Manage Account”.



Twitter

No legacy option exists for Twitter; however the account can be deactivated under Settings and Privacy - Account. A login and password would need to be provided to your executor to do so. There is no account access regardless of relationship if you don't have the login information.

Instagram

Instagram allows a next of kin to request account deletion or to memorialize a loved one's account. You can also instruct an executor to delete your account, however, by going to the “Delete my Account” page. Your executor will need a login and password for this.

LinkedIn

LinkedIn does not have a legacy option either; however, the account can be closed under “Account Management”. Your executor would need your login and password.

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