

## RRIF -- NUTS AND BOLTS

- Canadians are legally required to convert their RRSPs into RRIFs by December 31 of the year they turn 71, though they're free to do it earlier. The transfer is NOT a taxable event.
- RRIFs are subject to yearly withdrawal minimums, but there is no maximum. The younger the annuitant, the lower the minimum: a 65-year-old has to pull out 4%; a 90-year-old 13.62%.
- An annuitant with a younger spouse or common-law partner can use her spouse's age to calculate the minimum withdrawal. This would enable her to shelter more income in the RRIF.
- An annuitant is committed to withdrawals after the RRIF is set up, BUT it can be transferred. Say an annuitant uses her own age on the application, but five years later she decides she wants to use her spouse's age. She can terminate her original RRIF and set up a new one without any tax implications.



Maria Doug Loreen

Nardella Photography

# Connect

Your Style

What's important to you?

Fall 2014

### Did you know that by 2018 fully 49% of the Canadian workforce will be under age 40?

*In a few years (2018), fully 49% of the Canadian workforce will be under the age of 40 and boomers, those currently between the ages of 50 and 69, will account for only 13% of workers. Fewer Gen Y or millennial investors will benefit from the pensions and benefits of long careers with the same employer as they change jobs more than six times during their working lives.*

*Gen Y investors have long investing time horizons, typically 25 years and more, but the sooner they get started, the better off they will be.*



### Do the right things...



I had the distinct pleasure of meeting Michael "Pinball" Clemons at a recent conference. Not only do we share a love of sassy shoes, we also share similar views about life.

Mike is a very humble guy who openly states that he "Lives to Serve" his wife, Diane, who is the most important person in his life (they have

been married for 30 years). As well, he feels it is more important for him to be in the Dad's Hall of Fame than the CFL Hall of Fame.

Mike believes and lives by the motto: "To be great, we must help others flourish." His talk was directed to a room full of financial planners and his view is that as children, we don't get enough teaching about relationships and money. I share his view that the family is the foundation of our existence and financial advisors play a critical role in helping protect families. Mike went so far as to declare that financial advisors are the #1 support to a family's existence.

For most people, the management of money is a struggle so this is how a financial advisor can help. "Their greatest challenge is your success," says Mike. We hear a lot of "No's" in our business. But, if we don't ask people if they need help with their finances, would they do anything about it?

Mike talked about how football players love the game and that it's not about the money. He states: "I play this game for you!" Mike commented that you must, "Do it in HD" and that you have to LIVE your "sweet spot" – Focus on your strengths! I love what I do so I am confident in stating to all my clients that I do my best for you and I trust that my actions show what I mean. I am proud to say that I have built my business one client at a time and will continue to grow my business through the wonderful referrals from clients, family and friends. I am honoured and appreciate anyone you refer to me.

We all have things we could do differently the next time. Mike asked us to think back in our lives to times of pain and sorrow. What did we learn? What could we do better the next time? Be grateful when things aren't great! Learn from your mistakes and move forward. My motto is -- Do the right things, and the right things will happen!

Mike agrees, that it all comes down to

What's important to you?

Are you struggling with issues going on in your life right now? My book **LifeBalance** is a guide to help you manage the challenges we all struggle with. If you would like a copy, go to my website [www.yourstylefinancial.ca/bookpurchase](http://www.yourstylefinancial.ca/bookpurchase).

I play an important role in your life, and I want you to feel comfortable in referring me to anyone who is important to you.

## Passing on the family cottage

Jumping off the dock in the noonday sun, paddling a canoe in the late evening alongside the loons: your cottage is more than just equity property — it's a lifetime of family memories for you and your children.

Still, in many parts of the country, prices for waterfront recreational properties have risen at least as dramatically as city residences. Deciding the future of your cottage should address both the sentimental and the financial realities.

Succession planning is a critical part of your estate plan and there are a number of unique legal requirements for you to consider. When it comes to this type of planning, knowing everyone's view makes the process flow smoothly.

Your children may feel awkward broaching the subject of who gets the cottage, so you should take the initiative. It boils down to one question: Do your children want the cottage?

With that in mind, it's easier to start at the end and work back to a solution. Ask yourself what you want to accomplish with your estate overall; who would you like to benefit from it? Then ask what role the cottage plays in that context.

For many kids, the cottage holds more cherished memories than even the family's principal residence. The trick is to ensure that sentiment doesn't turn into stress when the time comes to make a decision.



Many parents deal with the cottage in their will without having a discussion with their kids. Equally often, their adult children assume it's easier to deal with the cottage after the reading of the will than to take the risk of upsetting parents by divulging their lack of interest.

You want to treat your children fairly in dividing up the estate, including the family cottage. But you need to consider whether some children have done better financially, and whether all of them can equally afford the upkeep costs.

What happens if there are six children who will share the cottage? What happens if some of your children live far away and rarely visit Canada? It's important to understand that treating your children fairly may not mean treating them equally.

You may be concerned about your children's lack of experience managing investments, but are reluctant to say so. Or you could have concerns about your children's ability to agree on the need for and payment of big-ticket items such as a new roof or the financial realities of carrying the expenses on a cottage for 12 months of the year — not just for July and August.

A conversation now, saves hassles later. Bring the family together and have this important chat. I have assisted many of my clients in this important discussion. If I can be of help, just let me know.

*By Elaine Blades May 5, 2014. As published in Advisor.ca*

## Good News About Nuts

You've heard it dozens of times - nuts are good for you, but don't eat too many because they are full of fat and calories. However, research indicates that the reality is somewhat more complex - and that's good news for nut-lovers who are watching their weight. A study published in the American Journal of Clinical Nutrition revealed that while a handful (about 22 kernels) of almonds contains 170 calories, only 129 calories are actually absorbed by the body. The rest are passed, because the protein and fat in them are

relatively hard to digest. Even better news - after one daily handful of almonds, three percent of the calories you consume for the next 24 hours are rendered indigestible. That means if you eat 2,000 calories in a day, the almonds you ate in the morning will remove about 60 calories from that total. The effect probably applies to other kinds of nuts, although only almonds have been rigorously studied. So enjoy your nuts - their monounsaturated fat content appears to lower cardiovascular risk. And of course, they're delicious!

## You're not too young to talk insurance



As a card-carrying millennial, you're likely busy paying off debt and pursuing a better job, and insurance isn't your top priority. In fact, you might think you don't need policies until you buy a house or have children.

But there's tremendous value in locking in insurability at a young age — you don't buy insurance with money; you buy it with good health.

Insurance gets more expensive and harder to qualify with age. A permanent policy would cost a 25-year-old about \$175 a month for \$500,000 of coverage, but \$470 for a 45-year-old. If \$175 doesn't fit your budget, there are other coverage amounts available as well as term policies with a conversion option to permanent insurance, letting you lock in insurability now without making a full commitment.

Even if you're covered through work, there are limits to employee benefits. They provide basic coverage, but won't sufficiently replace income as your family grows. An average life insurance plan offered through group benefits pays a \$25,000 to \$50,000 death benefit. Other companies pay up to two year's salary if you die. In most cases, that's not enough to cover costs. It's also less reliable — if you switch companies, your benefits package changes.

Many insurance companies even offer post-secondary graduates discounts on insurance rates, depending on your occupation and income.

Insurance is a tool that protects you, your dreams and the people that mean the most to you. You owe it to yourself to think about whether it's right for you.

*By Sarah Brown October 1, 2013. As published in Advisor.ca*

## Say Hello to Hemp

Looking for a super simple addition you can make to your diet that delivers significant health benefits? Say hello to hemp.

If the thought of eating hemp makes you a little uneasy, rest assured that the edible hemp seeds you see in the store do not contain THC (the psychoactive component of marijuana). In fact, you should think of hemp in the same way you do poppy seeds — which come from the opium plant.

Hemp has rapidly gone mainstream, available in most supermarkets in seeds, powder, milk, butters and oils. And its impressive nutrition prowess makes it worthy of superfood status. Here's why:

### Protein Powerhouse

Hemp seeds are packed with high-quality protein and all the essential amino acids we need. Just 2 tablespoons of hemp hearts provides 5 grams of protein — almost as much as an egg, which has 6 grams.

### Good Fats

Hemp is rich in essential fatty acids, such as omega-3 fats, which may help reduce the risk of depression and reduce the clotting factors associated with heart disease. Hemp is also a good source of gamma-linolenic acid (GLA), an omega-6 fatty acid that plays an important role in regulating blood pressure and inflammation. Score one more for hemp because hemp hearts offer an almost perfect balance of the omega-6 to omega-3 fats at a 3:1 ratio, making them a wonderful food to include for promoting optimum health.

### Vitamin E and More

As with many other seeds, hemp seeds deliver a significant amount of vitamin E, an antioxidant. Magnesium and iron are two other nutrients of note in this mighty little seed.



What's  
Important  
to you

**YourStyle Financial Inc.**  
Doug Buss CLU, CPCA, CFP  
1B - 2020 Portage Ave.  
Winnipeg, MB R3J 0K4  
Email: Doug@yourstylefinancial.ca

cell: 204 227 6395  
office: 204 474 2929  
fax: 877 223 2936  
toll-free: 877 895 3258