

**Spring 2019**



## **Proper Beneficiary Designations; Save Time, Headaches, and Probate Fees!**

*Written by Ryan Husk*

You've got life insurance in place, you are confident it's enough to provide for loved ones if you unexpectedly pass away. You are confident everything is set up properly. Your estate is the beneficiary and your will is up to date. What can go wrong? One common issue we come across is people assigning their estate as the beneficiary of their life insurance. What are the potential issues?

When you pass away, your funeral is often the first on the agenda for your loved ones to organize and pay for. If all or most of your finances need to pass through your estate, they won't have this money in time to pay for your funeral, which means someone will have to foot the bill and sometimes need to borrow money to pay for it. If you assign your loved ones as beneficiaries of your life insurance they will receive this money fairly quickly and will be able to pay for your arrangements, as well as begin dealing with other items and costs.

Another plus to this strategy is that insurance proceeds are not subject to probate. If you have a \$1 million policy, this can save up to \$15,000! That alone could pay for all or most of your funeral, leaving more to loved ones and less for the government.

A typical example is when both spouses are still living. They assign each other their primary beneficiaries. They can also assign their children as contingent or secondary beneficiaries. This is who receives the money if a primary beneficiary has already passed away. If you have some specific wishes, this can still be done through your will, as other assets will still pass through it and get to the people and organizations you wish. You can even assign a charity as the beneficiary of life insurance policies, which again, would ensure more funds go where you want them to go!



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## Tax Filing Tips

*Written by Andrew Raymer*

It is that time of year - we start getting all of our income and expense details together, hope we paid enough taxes, or even better, that we receive a refund! Here's a list of some items you will want to make sure you have before you file:

- **All T4s.** You get a T4 for any earned income for the year. If you collected EI at all, you will get a T4E for this as well. If you earned commissions outside of your normal work, you will get an additional T4 for this as well.

- **All RRSP contribution receipts.** If you are unsure if you have them all, we can generate duplicates very quickly, or can confirm the amounts you should have.

- **Pension Adjustment amount** from pension contributions made

**If you have a non-registered account**, you likely need several other slips, as gains and dividends are taxable in these accounts.

- **A summary of gains or losses** triggered in the year - this can be claimed as a capital gain or loss for the year. Losses can be carried forward to future years.

- **T3** - a summary of income received from any mutual fund trusts during the year. This slip will provide a breakdown of interest, dividends, and capital gains distributed to you for the year. You will get one of these for each mutual fund company you invested with in your non-registered account

- **T5** - a summary of income received from securities (stocks, ETFs, corporate class funds). You typically receive one of these summarizing all holdings, however you will receive another for each corporate class fund you own. You will also receive a T5 for interest earned in any savings accounts.

If you are unsure if you have all of the proper forms, do not hesitate to call us! We do recommend you have a tax professional help you file, **we are happy to recommend a number of accountants in your area!**

## NEW PRE-MEETING QUESTIONNAIRE

We have begun sending out pre-meeting questionnaires to clients via e-mail. The purpose of this questionnaire is so we can better prepare for our meetings with you! We often find clients have something specific in mind to discuss, which had we known, we would have brought along some information and materials to address that topic.

We want to make the best use of our time with you, and in some cases, we can avoid the need for another meeting later, which will save you time! The questionnaire may also jog your memory of topics you want to discuss, which can be forgotten about once we sit down and get chatting about everything.

*It should take less than 5 minutes to complete. We appreciate it!*



## HAVE YOU PROTECTED ALL OF YOUR ASSETS?

*Life Insurance - to ensure loved ones can keep their standard of living if you pass away prematurely. Also can be used for tax efficient estate planning*

*Critical Illness Insurance - pays a one time lump sum if you get diagnosed with a covered condition, gives you the option of taking time from work when you need it most!*

*Disability Insurance - pays a monthly benefit while you are unable to work, covers both physical disabilities and mental illnesses*

*Call us for more info!*

## Next FREE Seminar: Executor Tips and More!

*Monday, April 8, 2019, D&D Homestyle Cuisine & Cafe*

*6:30pm Social, 7:00pm Start*

We are happy to be hosting another free seminar to anyone interested in attending. The main focuses will be on Tips for **Executors**, **Socially Responsible Investing** as well as a segment on **Flavourful Food & Safe Food Handling Tips** from D&D Homestyle Cuisine! We are pleased to have booked 3 expert speakers to share their knowledge and insights with you.

An executor is a person(s) assigned to carry out the wishes laid out in a will once someone passes away. Many executors find this task overwhelming and very time consuming. To make it more challenging, it's often a difficult time emotionally and the executor is doing a complex task they have never done before. This event will help those who have been assigned executor and also give you some thinking points on how to choose your executor. It will help lay out some of the basic things that need to be done, and more importantly, help you avoid some terrible mistakes!

A growing trend in the investment world is **Socially Responsible Investing**. What is it and why might it be important to you? If you want to hear how to incorporate specific values into your investing, without giving up returns, this will be a valuable session for you. Being responsible has never been this profitable!

We promise your wheels will be turning when this event is finished! **Please RSVP your plans for attendance! Feel free to invite your family and friends!** Here's some brief details on our speakers.



### **Keith Masterman, LLB, TEP - VP Tax, Retirement, & Estate Planning at CI Investments Inc.**

Prior to joining the CI family in 2015, Keith was an executive at one of the big five Canadian banks where he worked in a variety of senior roles in risk and estate and trust management. While with the bank Keith spent seventeen years in the estate and trust area gaining experience in trust and estate administration and estate planning. Prior to joining the bank Keith was in the private practice of law where he worked in the estate administration, estate litigation, and estate planning field.



### **Mike Nixon, CFP®, CIM®, Vice President, Sales at iA Clarington Investments**

Mike brings 20 years of investment and financial planning experience to his role as iA Clarington's Vice President. As a **CERTIFIED FINANCIAL PLANNER®**, Chartered Investment Manager, and Responsible Investment Specialist. Mike has been previously employed as a Financial Advisor to many Canadians and combines his own expertise with iA Clarington's extensive resources to deliver value-added services to Financial Advisors and the clients they serve.



## FOLLOWING UP ON PAST ADVICE

*Written by Ryan Husk*

In our Winter 2018 newsletter we provided a market outlook for 2018. Our insights can be summed up in the last paragraph of that article:

**.....we think your portfolio should have heavier weightings in the USA and globally. In 2018 we will likely see volatility rise from the current low levels, so at some point in 2018, we will likely see a drop.....This will be a buying opportunity, as they have been in the past as well.**

So much of this played out. Canada was the worst performing developed market (down 12%), so we dodged a bullet there. Volatility certainly increased as we saw some significant swings, especially downward at the end of the year. Also, It was a buying opportunity, with markets in USA and Canada up over 10% in 2019 already!

**If we knew a drop was coming, why didn't we do anything to avoid it, and buy the low point?** The most difficult thing about market downturns is that we never know exactly when they will happen and we never know how deep they will go or when they will end. The end of 2018 was certainly worse than we would have anticipated.

What we do know is that your long term investments will be fine.....over the long term. We invest knowing downturns will happen, also knowing that recoveries will happen. We are almost back to market highs already and have all but forgotten about the end of 2018. **Stay focused on the long term!**

## Contact Information



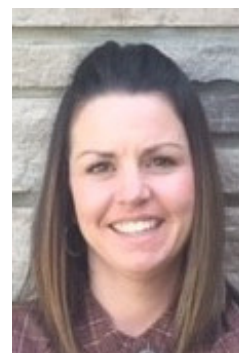
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