



Happy New Year!

On December 7, 2020, Amanda and I attended The Retirement Canada Dialogue 2020 presented virtually by The CFP Retirement Institute. There were several terrific guest speakers; but the highlights of the day were the presentations by Dr. Robert Brown, an actuary from British Columbia, and Bill Van Gorder, the chief policy officer for the Canadian Association of Retired Persons (CARP), from Nova Scotia.

Dr. Brown began his talk by giving us a Canadian demographic context. Canada is experiencing lower fertility rates, which peaked in 1969 and bottomed out in 2000, with deaths expected to exceed births in 2030. He added the fact that the baby boomers began turning age 65 in 2012 and the majority will be turning age 65 in 2025. The combination of these factors, along with longer life expectancy, should give us cause for concern regarding labour shortages in the not so distant future.

There is currently a trend towards the concept of a defined retirement age becoming more vague. At any point in time, an individual may now be in the education or training phase, the working phase, or the leisure/recreation phase. Traditionally we began our life with education, then work, and ended with leisure and recreation.

Dr. Brown expressed concern about the future of pension plans. Currently, 88% of public servants have a pension and only 23% of the private sector has pension income coverage, causing pension envy. Consequently, Dr. Brown proposes raising the age of eligibility for government pensions, so we can receive more income later, which will also give people a nudge to work longer.

From a recent survey conducted by CARP, Bill Van Gorder determined that the most significant concern of its members is financial security. A summary of what CARP members said were important is as follows:

1. Concerned of support of lower income retired Canadians as they are living longer than ever before. Less than 32% have pension plans and therefore most are living on their own savings.

2. Employers should be mandated to provide pension plans.
3. Boost Old Age Security (OAS) income.
4. Increase Canada Pension Plan (CPP) survivor benefits.
5. Financial insecurity is a detriment to good health.
6. Underfunded pension plans are currently a low priority in insolvency. The government should amend the Insolvency Act to raise pensions to a 1st level creditor, not last. Right now, the tax man gets funds before pensioners.
7. Eliminate mandatory RRIF withdrawals to maintain assets to an older age. Currently the retiree is forced to draw down their savings. Those working past age 71 are punitively taxed. The membership feels that this should be changed to better reflect the new realities of deferred retirement trends.
8. Reduce designation confusion in the field of financial advisors, to simplify who is qualified, so that it is easier for retirees to choose a financial planner.
9. Financial needs of older adults should take priority in government taxation and financial decisions moving forward.

As we enter a new year many of us establish new goals for the upcoming year. To avoid the new year's resolution that is quickly forgotten it is recommended that all goals be written down as a positive affirmation, are specific, have a timeline and are reviewed often to establish the greatest likelihood of achievement. A comprehensive goal setting exercise can be found on our website www.ghafinancial.com (within the Process tab) which I recommend being completed annually. If you do not have access to the internet, we would be happy to supply this to you.

Canada Revenue Agency (CRA) has announced that Monday, March 1, 2021 will be the deadline to make your 2020 RRSP contribution. Your RRSP limit is found on the Notice of Assessment sent by the CRA in the spring of 2020. Please note that any transfers or loans for RRSP contributions must be completed at least one week prior to the above deadline. Please note that the 2021 Tax Free Savings Account (TFSA) additional limit is \$6,000 per Canadian resident age 18 or older. The new TFSA lifetime maximum is now \$75,500 which has been accumulating since 2009.

For the majority of investors, 2020 was by far one of the most concerning years in history and we are happy to see it end. 2020 was an extremely volatile year. Although the year began very positively, in early 2020 we experienced one of the sharpest declines in investment values ever! This was followed by the quickest recovery from a bear market low, on record.

Amanda and I are both qualified CERTIFIED FINANCIAL PLANNER® professionals at your service to assist in all areas of comprehensive financial planning including financial goal discovery, cash flow/budget analysis, retirement income planning, tax savings, estate

planning, insurance needs analysis, investment planning, education saving planning, special purpose or major purchase planning.

I wish to thank you for your continued confidence and for the opportunity to serve you in all aspects of Financial Planning. As always, I will continue to keep in touch with you but if you have any questions or concerns, that you would like to discuss or review, please do not hesitate to contact either Amanda or I by email or by calling us at 519-894-2661 or toll-free at 1-800-716-5538.

Have a great day!

Respectfully Yours,

Gary

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