

October 2023 Financial Planning Email Update

Happy Thanksgiving! Amanda and I are and will always be thankful to you, our valued clients.

During the past week, I attended the CFP Retirement Institute's annual meeting. It was engaging and provided a tremendous amount of valuable information which I will share with you here.

The CFP Retirement dialogue began with Michelle Munro summarizing the Fidelity 2023 Retirement Survey. Retirees continue to be positive and are more financially and emotionally prepared than pre-retirees. Retirees used positive words to describe themselves such as prepared, confident, and optimistic while pre-retirees used words such as unsure, stressed, and anxious to describe themselves.

Canadians are holding back from retiring due to the rising cost of living and/or they have insufficient savings. In fact, Canada has the highest household debt to GDP of all of the first world countries in the world. Overall, we have the highest total household debt and the highest total cost of interest payments ever. In fact, 64% of pre-retirees still have some form of debt and are therefore challenged with rising interest rates. Many pre-retirees do not have a Defined Benefit (DB) Pension Plan. In 2020, 82% of public sector employees had a DB Pension Plan but only 10% of those in the private sector had one. The private sector is the largest employer, by far. As a result, the Department of Finance is revisiting the Registered Retirement Income Fund (RRIF) minimum withdrawal rates.

Lori Clements discussed advanced retirement planning issues. Today, approximately 1200 people per day are turning 65 in Canada. Retirees have two goals; income to meet basic needs and estate/legacy needs. Lori asks, "What is your vision for retirement?" There is always an efficient way to layer retirement income, make the best use of government benefits, and make the best use of personal assets. A difficult transition is from accumulating or building a nest egg to using your nest egg.

To plan to retire, Lori asks, "What sources of income can you access, how much and when can you start to withdraw, and which assets are best to defer?" Lori discussed the Old Age Security clawback (officially called the OAS pension recovery tax) and when to begin the Canada Pension Plan (CPP) - earlier or later.

The Canadian Institute of Actuaries calculated that individuals who have a life expectancy beyond age 65, would be best to wait to a minimum of age 65 before drawing on CPP. Women and men who live to the age of 60 are expected to live to the age of 88.5 and 85.9, respectively.

Stephanie Jardine from Chartwell Retirement Residences discussed the cost of living in a retirement residence in Ontario. To live in an independent apartment, the cost ranges from \$1,500-\$4,000 per month. To live in an assisted living setting, the cost is \$3,500-\$5,500 per month and the costs associated with living in memory care accommodation are about \$4,085-\$5,500 per month. Currently, the cost of living in a long-term care facility in Ontario ranges from \$1,986.82 to \$2,838.49 per month and the wait time to get into one of these homes varies from 2 months to 2 years.

Demetre Vasilounis, a Trusts and Estates Lawyer from Fasker Law, discussed what to consider and how to handle digital assets in Estate Planning. Digital assets are websites, online accounts, cryptocurrency, digital files, monetary credits, as well as revenue from digital assets. The challenge to an estate is the potential to be denied access to the deceased's online platforms, such as Facebook, or email as there are no laws currently in place requiring the release account information to executors. It has not yet been determined in law if a digital asset is a record, a right, or an interest. Demetre recommended utilizing (if the custodian has) a post-death account management tool. Apple's application is called Digital Legacy, Facebook's is Memorialization System, and Google's is called Inactive Account Manager. In addition, adding clauses to one's Will directing the executor to either close, gift, or liquidate a digital asset was also suggested.

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 the office at 519-894-2661 or toll-free at 1-800-716-5538.

Have a great day!

Respectfully Yours,

Gary



Investia
Financial Services Inc.

investia.ca

Gary H. Attack, BBA, CFP®, RFP, RRC®
CERTIFIED FINANCIAL PLANNER®
Investia Financial Services Inc.
203-1601 River Rd. E, Kitchener, ON N2A 3Y4
T: 519-894-2661
TF: 1-800-716-5538
Fax: 519-894-6656
gary@ghafinancial.com
www.ghafinancial.com

PLEASE BE ADVISED THAT TRADING INSTRUCTIONS SHOULD NOT BE COMMUNICATED VIA E-MAIL, AND IF RECEIVED WILL NOT BE ACTED UPON.

Without the use of secure encryption, the Internet is not a secure medium and privacy cannot be ensured. Internet e-mail is vulnerable to interception and forging. Investia Financial Services Inc. cannot ensure the privacy and authenticity of any information, and will not accept any instructions, that you send to us over the Internet. Investia Financial Services Inc. will not be responsible for any damages you may incur if you communicate confidential information to us over the internet if we communicate such information to you at your request.

The comments contained herein are a general discussion of certain issues intended as general information only and should not be relied upon as tax or legal advice. Please obtain independent professional advice, in the context of your particular circumstances. This newsletter was written, designed, and produced by Gary Attack and Amanda Attack, Investment Funds Advisors with Investia Financial Services Inc., and does not necessarily reflect the opinion of Investia Financial Services Inc. The information contained in this newsletter comes from sources we believe reliable, but we cannot guarantee its accuracy or reliability. The opinions expressed are based on an analysis and interpretation dating from the date of publication and are subject to change without notice. Furthermore, they do not constitute an offer or solicitation to buy or sell any securities.

Mutual Funds are offered through Investia Financial Services Inc. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

Gary H. Attack Financial Planning Inc. is an independent company unrelated to Investia Financial Services Inc. Investia Financial Services Inc. companies have no liability for Gary H. Attack Financial Planning Inc. To unsubscribe from receiving commercial electronic messages from Investia Financial Services Inc., [Click Here](#)