Connect

Spring 2022

Life for Today, Plan for Tomorrow

I am proud to share that May 2022 marks my 35th anniversary in the Financial Services Industry. The time continues to fly by each year, however I know that I am getting older, as I am sad to share that my mother (Elsie) passed away on April 1st at the wonderful age of 87. My mom was a very special lady who made everyone feel welcome no matter what was going on in her day.

Since that day my world has seen more sadness as I have lost five additional friends and clients. The worst part is they ranged from 53 – 67 in age. Having three funerals within a week to say goodbye to people you love and care about forces you to look at your life and how much we don't know when our day will come. I am thankful I have had professional training to deal with my grief. At some point in our lives, each of us faces the loss of someone or something dear to us. The grief that follows such a loss can seem unbearable, but grief is actually a healing process. There are five areas of grief to be dealt with following a serious loss, so understanding the process helps. The acronym to remember is DABDA

Denial – At first, you will tend to deny the loss has taken place and may withdraw from your usual social contacts.

Anger – You may be furious at the person who inflicted the hurt (even if they are dead), or at the world for letting it happen. You may be angry with yourself for not being there, even if realistically nothing could have stopped it.

Elsie Buss

Bargaining – You may bargain with God, asking, "If I do this, will you help them get better or take away the loss? "

Depression – You will feel numb, although anger and sadness may remain underneath. This is where you need to take time to relax, recharge and recover.

Acceptance – The overwhelming feelings have tapered off and you start to accept the reality of the loss.

Grieving will pass more quickly with good self-care habits. It helps to have a close circle of family and friends. It also helps to eat a balanced diet, drink lots of water, exercise and get plenty of rest. Most people are unprepared for grief, since so often tragedy strikes suddenly, without warning. If good self-care habits are maintained, it helps the person to deal with the pain and shock of loss until acceptance is reached.

You have 1,440 minutes everyday to enjoy your life. What's important to you? Til next time…

When you receive an inheritance; Grow it - Don't blow it…

If you work for passion you will be richer than working for money

Put good out into the world and good things will come back to you.

What's important to you?

Spousal RRSPs: What You Need To Know

Sean McDermid

Make sure you don't run afoul of the attribution rules

Spousal RRSPs were designed to help married and common-law partners split their future retirement income. Typically, the higher-earning spouse is the contributor and the lower-income spouse is the annuitant and account holder. The contributor spouse can't exceed their own RRSP limit.

Attribution rules limit income splitting, reducing the short-term benefits of spousal RRSPs. This means withdrawals will be taxed in the hands of the higher-earning spouse, not the lower-earning one as expected.

These rules are complicated so make sure you clearly understand them.

Attribution Overview

Attribution may apply if the annuitant withdraws from any spousal RRSP and the contributor contributed in the same year as the withdrawal (before or after the withdrawal) or in the two preceding years.

The contributor's oldest contributions in this period are deemed to be the first amounts used to fund a withdrawal. If the withdrawal is less than or equal to the contributions made in this period, the full withdrawal will be taxed in the contributor's hands. But what if the withdrawal is greater than the contributions made?

Consider the example of Taylor and Gloria. Taylor contributes to a spousal RRSP for Gloria. The chart below shows activity from the last four years:

Year	Taylor's contributions	Gloria's withdrawals
2019	$3,000	$0
2020	$4,000	$0
2021	$0	$5,000
2022	$0	$8,000

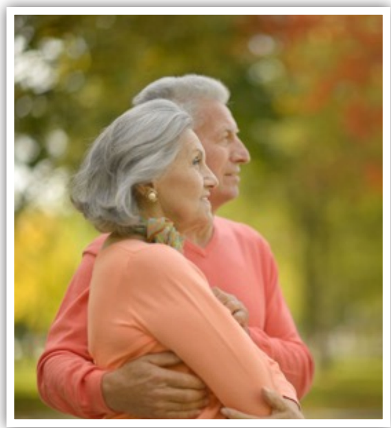
The $5,000 withdrawn by Gloria in 2021 is first applied against Taylor's 2019 spousal contribution ($3,000), and the $2,000 balance ($5,000 minus $3,000) is applied to Taylor's 2020 spousal contribution. Because those contributions were made within the two years preceding the withdrawal, Taylor had to include $5,000 in her income for 2021.

The $8,000 withdrawn by Gloria in 2022 is first applied against the 2020 spousal contribution (which had $2,000 applied against it from the 2021 withdrawal, leaving $2,000). The remaining $6,000 of the 2022 withdrawal is Gloria's income because the balance of Taylor's contributions for the attribution period is now $0. Both Taylor and Gloria must include Form T2205 with their tax returns in 2021 and 2022 to report the withdrawals.

The withholding tax of $500 (10% of $5,000) on the 2021 withdrawal and $1,600 (20% of $8,000) in 2022 will be reported on Gloria's T4RSP, even on the amounts attributed to Taylor. Spouses should be aware of this to avoid surprises when filing tax returns.

There are some exceptions to these complicated attribution rules. Talk to your YourStyle Financial advisor to ensure you stay on the right side of the tax man.

Are You a Senior?



Just because you qualify for a senior discount doesn't necessarily make you a senior. This article will explore the senior and baby boomer cohorts and how those cohorts influence who we are, our values, and how we engage with each other and our world. A cohort refers to a group of individuals who experienced the same circumstances as they were coming of age. Living through those experiences during such a pivotal period of our lives helps shape common characteristics, attitudes, and values.

The characteristics are fairly defined and will likely survive throughout the emerging life stages—independent of age. For instance, a baby boomer may be 70 years of age today, yet may not likely identify as a senior . . . instead, they will likely continue to identify as a boomer—today and always.

Cohorts - When we reference today's seniors, we are usually referring to those classified as the Children of The Great Depression (born 1931–1940), as well as those who served in World War II. The North American baby boomer cohort includes individuals born between 1946 and 1964.

Characteristics - Although there are risks involved when characterizing any group, we can draw some inferences based upon shared cohort experiences. What do we know about today's seniors? Through the eyes of a child, the Children of The Great Depression directly experienced the lack and scarcity of the Depression. Those serving in World War II made the ultimate sacrifice, committing to a higher ideal while putting their lives on the line for all their countrymen and women. Shaped by those experiences, "seniors" tend to share the following characteristics:

• Savers • Not Risk-takers • Accomplished much with teamwork • Duty comes before pleasure • High degree of confidence in government, large employers, traditional authority figures.

For seniors, it is all about independence. They want to be safe and stay healthy so they can remain independent and not be a burden to their family. Seniors see their role with money as one of "stewardship"; they want to be good stewards of their money, preserve their nest-egg, and pass it on to the next generation.

Now let's shift to baby boomers. Their focuses were the Vietnam War, sexual revolution, civil rights, women's rights, gay rights, and social reform.

• Influenced by the massive size of the cohort that redefined every life stage • Less trusting of authority, employers, government . . . they were the anti-establishment folks • Intellectually and socially individualistic • Pursued own dreams . . . they overwhelmed the job markets and borrowed to buy • Evaluated achievements in terms of personal fulfillment. Boomers want options from those who serve them. It's all about lifestyle!

Boomers, however, tend to see their relationship with their money in terms of "ownership" . . . it is my money and I'll spend it the way I want.

When the seniors were asked what they wanted first from the professionals who were about to serve them, the results showed the following. • Listen to me • Acknowledge my wisdom and vision • Help me stay connected. They need to know they are welcome, acknowledged, safe, and respected. Conclusion The message is pretty simple: Engage, ask questions, appreciate, listen, and learn. Businesses that "get it" will "get them" as life-long clients, even without a senior's discount. Rhonda Latreille, MBA, CPCA Founder & CEO Age-Friendly Business

Money and Marriage

Tips for understanding how finances can affect relationships

According to an article entitled "Top Six Marriage-Killing Money Issues" on Investopedia.com, financial problems are the leading cause of divorce. Some financial reasons why couples may divorce include:

- Opposing views
- Financial Infidelity
- Overspending

When money is a regular conversation, partners can begin to understand the role it plays in their lives and their relationship. Your spouse may have been raised in a more fiscally conservative household, whereas, your parents may have been a little more free-spirited. Because of these opposing views, it becomes important to continually have money discussions so that you both understand where you are coming from and avoid hurt or angry feelings.

Communication and openness are key when tackling the topic of money in marriage. A good idea is to schedule regular reviews once a month! Go ahead and schedule a recurring money-discussion-date right in your calendars. You can chat about short-term spending needs, shared financial goals and financial priorities. You can also review your budget each month to better stay on top of expenses.

Having a better understanding of both of your financial goals can lead to better compromises. Compromising can allow both of you to be satisfied with financial decisions and enjoy the benefits of planning. Common goals such as debt reduction, compromises such as renovating versus selling your home, and financial priorities such as travelling can all be addressed regularly to make sure both spouses are on the same page and committed to a secure financial future.

Practice Good Wealth Care

We all know that regular exercise and a balanced diet are part of living a healthy lifestyle. But how can we keep our *wealth* in shape?

In the same way, it's important to have a routine. Start by regularly logging into your online banking to check the status of your accounts. Get a better understanding of your balances, limits and cash flows. Then identify where you have room for improvement, and set wealth goals so you have a plan of action. At times when you aren't feeling financially well or need a check-up, meet with your YourStyle Financial advisor to get professional help on how to get back on track.

Saving more money, managing expenses and investing wisely requires more than a "set it and forget it" approach. With a little extra time and attention, improving your financial health is possible at any stage in life.

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