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Spring is in the air, leaving winter chills behind us and ushering in warmer days. It's a time of change, a theme that also applies to the relationship between you and us. When you have changes in your life, we want you to let us know. That's because many events in your personal life affect your financial life. Perhaps it's the birth of a child or grandchild, job loss or career promotion, a loan to a relative or an inheritance received ... anything. If it's a hardship, we'll ensure you cope financially, and if it's a positive change, we'll help you capitalize on the opportunity.



▶ INVESTMENTS

Does your financial life need a spring cleaning?

It's quite easy to end up with investments in different places. You might have joined a group Registered Retirement Savings Plan (RRSP) through an employer. Or opened a Registered Education Savings Plan (RESP) or Tax-Free Savings Account (TFSA) at your bank. It could be any investment from any source, whether a Guaranteed Investment Certificate (GIC) or stocks.

This is where spring cleaning enters the picture. It's difficult to make investments work together when they're scattered in different places. You may want to clean up by putting them all under one roof.

The consolidation solution

When you consolidate all your investments with one financial services provider, you benefit in a variety of ways. First, it's often discovered that certain assets are duplicated, which increases investment risk. So changes are implemented to make your portfolio fully diversified – minimizing

risk, maximizing potential returns and smoothing out performance.

In making these changes, assets may also be re-allocated among registered and non-registered accounts to make your investments more tax-efficient. Another possible tax advantage is having fewer tax slips to manage when filing your return.

Investments at a glance

With scattered investments, trying to monitor everything is frustrating. But when you have a consolidated statement, viewing your investments is clear and easy – and you save time. It's also a more efficient way for us to help you. We can ensure your investments are aligned with your goals and recommend changes as your needs evolve.

Let us know if you have registered plans or other investments in different financial institutions. We can tell you about the consolidation process and determine if it makes financial sense for your situation. ◀

Making sure your retirement savings goal meets the new longevity



More Canadians are reaching retirement with a longer life expectancy, thanks to healthier lifestyles and advances in medical tests and treatment. According to Statistics Canada, a woman aged 65 is expected to live to 87 and a man to 85. That's on average, so a retirement savings goal should allow for a longer life span – typically, to at least age 90.

Can you imagine a time when Canadians will need to fund a retirement lasting 30 years or even longer? Well, by the time your retirement rolls around, that could be you.

'How much will I need to retire?'

This may be one of your first questions when you think about funding a 30-year retirement. Fortunately, you only need to provide the input we require – we'll do the math. A key plan to share with us is how you wish to enjoy your retirement years. Do you hope to purchase a villa in Spain and travel through Europe, or downsize to a condo and spend time with your grandchildren? The lifestyle you envision helps us determine the income you'll need, which is instrumental in setting your retirement savings objective.

However, many other factors contribute to projecting your financial goals, such as your marital status, health, tolerance to investment risk, estimated net worth at retirement and estate plans. We also take into account the effects of inflation and the new longevity. Ultimately, we help you arrive at a savings objective and retirement date that enables you to achieve your desired lifestyle without worrying about outliving your savings.

Plan for health care costs

Hopefully, you'll live a long and healthy life. But living to an older age increases the possibility of developing a medical condition or illness requiring costly long-

term care in a residence or at home. You can purchase long-term care insurance to prevent health care expenses from eroding your retirement savings. Or you can set aside funds that would become estate assets if not needed for long-term care.

Estate plans and retirement

Living longer may raise an issue regarding naming children as beneficiaries in a will. They could likely receive their inheritance when they're already established – perhaps even retired. Instead, should you name grandchildren as beneficiaries? Or give children an advance on their inheritance when a financial boost can make more of a difference? We can tell you how giving while living may affect your financial health or retirement income.

It can happen. Someone can be on track for a comfortable retirement – then a financial setback strikes. Perhaps an unexpected divorce results in dividing property and assets. Or a business ends up selling for much less than expected. In such a case, we develop a customized solution to make certain you still enjoy a secure retirement.

A solution may include deferred government benefits, tax minimization methods, annuities and guaranteed investments, and advanced retirement income strategies, such as a systematic withdrawal plan or a cash wedge or bucket approach. Your financial well-being will be protected, and you'll feel confident your retirement income will fund your lifestyle – to any age.

At every life stage, living longer can affect your financial picture – whether it's the amount to save when you're younger or the way you draw income when retired. Talk to us anytime you want to discuss how your wealth plan is meeting the needs of the new longevity. ◀

Keys to living longer

Healthy living may be practised in many ways, but here are five keys to reducing the risk of developing cancer, heart disease or stroke – the leading causes of death among Canadians.



Eat well. Include plenty of vegetables, fruit, protein and whole grains in your diet. Avoid or consume fewer highly processed foods.



Be active. One goal is to aim for 30 minutes of moderate daily activity that gets your heart going – and walking briskly counts.



Limit alcohol. If you drink alcohol, it's best to only drink in moderation. Should drinking habits become excessive, try setting limits.



Stop smoking. Quitting smoking now can still reduce your health risks in the future. It's worth finding out about proven methods to help you quit.



Maintain a healthy weight. If you want to lose weight, you don't need a crash diet. Watch what you eat, exercise and aim to improve steadily. ◀

Compiled from the Canadian Cancer Society (cancer.ca) and the Heart and Stroke Foundation of Canada (heartandstroke.ca).

Thinking of helping your child purchase a home?

Imagine searching for your first home in today's market. Real estate prices continue to soar. Mortgage regulations are stricter. The cost of living is only increasing. It's a financial challenge.

If you're the parent of a want-to-be homeowner, you may wonder about helping out with the down payment. Your assistance could enable your child to choose their desired home and location instead of having to settle. In fact, your help may be the difference between your child buying now and waiting a few years to save more.

In a way, you benefit too. Giving an advance on their inheritance allows you to witness how you're enhancing your child's life, as opposed to only leaving an inheritance through your will.

But it's not a decision to take lightly. You should consider several personal and financial issues before opening the bank of mom and dad.

Personal considerations

Some parents worry that a child who receives easy money will develop a sense

of entitlement. Is the individual better off working for their money, saving diligently, buying a home within their means and learning what it means to be financially independent?

Another consideration is that you might set an unintended precedent. Later, should your child want cash for a swimming pool or capital for a start-up, they may ask and expect you to come through again.

If you have more than one child, you may need to ensure that helping one with a down payment doesn't cause discord among siblings or ill feelings toward you. Will you update your will to reduce the child's inheritance accordingly? What if another child asks for a similar advance, whether for a down payment or something else altogether?

Financial factors

Before you decide whether to help out or how much to give, it's important to determine if your contribution will impact your retirement savings objective or other financial goals.



Should you go ahead, note that many mortgage lenders require you to sign a gift letter, which the lender typically provides. The letter makes it clear that the money is in fact a gift, not a loan – as the lender wants to make certain the borrower isn't taking on additional debt. You can also look at options that don't involve gifting funds, such as co-signing the mortgage.

If you're wondering about helping your child buy a home, feel free to contact us. You can give thought to the personal considerations, and we'll help you with the financial side. ◀

► TAX PLANNING

Hmm ... What should I do with my tax refund?

Sometimes a tax refund seems like free money from the government. Hello big-screen TV, luxury getaway or latest phone. That refund, however, was your own money all along. You're just getting it back.

By resisting the urge to splurge, you can use that money to enhance your future finances. Here are some of the most effective ways to apply the refund to your financial benefit.

Pay off debt. If you have any high-interest debt, such as credit card debt, you can use the refund to reduce the balance and lower, or perhaps eliminate, the ongoing interest costs.

Add to an emergency fund. Your tax refund can enhance an existing emergency fund or present a great opportunity to get one started.

Contribute to a registered plan. You can be tax-smart and move the refund dollars to a tax-advantaged environment – your Registered Retirement Savings Plan (RRSP), Tax-Free Savings Account (TFSA) or Registered Education Savings Plan (RESP).



Help offset tax on RRIF withdrawals.

When retirement arrives, tax will be payable on Registered Retirement Income Fund (RRIF) withdrawals at your marginal tax rate. But there's a way to minimize the tax liability's effect. Every year, invest your RRSP tax refund in a non-registered account, and dedicate these funds to help offset the tax payable on RRIF withdrawals.

If you just can't resist the urge to buy a luxury item, perhaps you can compromise. Spend some of the refund for your own enjoyment, and apply the rest toward improving your financial future. ◀

Receive tax savings without the refund?

If you're self-employed, a professional or business owner, your tax break from RRSP contributions may be paying less tax when you file your return. Or if you have tax deductions reduced on your paycheque, your break is freeing up cash throughout the year. While not as obvious as a tax refund, it's still money that would otherwise have been paid as tax to the government. So all these ways to improve your financial life still apply to your tax savings or extra cash.

Making RRIF withdrawals ... strategically



When it's time to withdraw funds from your Registered Retirement Income Fund (RRIF), one or more of these strategies may save you tax.

The mini-RRIF. Even if you would normally wait until the latest possible age of 71 to open a RRIF, you may want to open one at 65. But you only transfer enough funds from your Registered Retirement Savings Plan (RRSP) to allow you to make RRIF withdrawals of \$2,000 each year, until age 71. That income qualifies for the \$2,000 pension income tax credit.

Determining withdrawal amounts. When possible, it's often tax-smart to withdraw only the minimum required annual amount, keeping your tax bill lower and allowing more savings to grow tax-deferred. But sometimes it's wise to withdraw more than the RRIF minimum if that means paying less tax on the withdrawn amount now than what would be paid later, perhaps tax payable by your estate.

Spouse's younger age. If your spouse is younger, you can base your RRIF withdrawal rate on their age, which allows for lower required annual withdrawals and means less tax.

Income splitting. If you're 65 or older and your spouse is in a lower tax bracket, you can save tax as a couple by splitting up to 50% of RRIF income with your spouse.

Several personal and financial factors determine the most effective way to take retirement income, so talk to us about a customized solution. ◀

Where should you keep an emergency fund?



The conventional wisdom is to save enough in an emergency fund to cover three to six months of living expenses. But where should you keep these savings?

Many financial experts recommend a high-interest savings account or a Tax-Free Savings Account (TFSA). Both can meet the objectives of accessing your

money quickly enough and not placing your funds at risk. With a TFSA, that means your emergency fund reserve is in high-interest savings or similar safe investments. Other emergency fund vehicles include money market funds in a non-registered account and redeemable Guaranteed Investment Certificates (GICs).

Some people, however, don't like the idea of tying up so much money in low-interest savings. In this case, they can borrow from a line of credit if an emergency arises – but the trade-off is potentially racking up debt.

Feel free to consult with us about any aspect of an emergency fund, from how much you should save to which vehicle suits you best. ◀

How should you react to a falling investment?

It's normal and expected that investments will fluctuate in price. But when an investment declines markedly, you might wonder what to do.

There is a way to help determine which route to take. Imagine that this particular investment was not in your portfolio, then ask yourself if you'd buy it today at its current price.

Answering yes. If you believe in its potential and would buy it, you may be just fine holding the investment. You might even view the price drop as an opportunity to buy more, profiting later from an anticipated recovery.

Answering no. If you're convinced the market outlook is no longer favourable for the investment, you may wish to sell it and invest the proceeds in a more promising company. In this case, you can still take advantage of applying the capital loss against taxable capital gains at tax time.



Talk to us if you're ever wondering about a declining investment. We'll help you assess whether it's a buying opportunity, tax-loss selling situation or a time to wait it out. ◀

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