

LARA AUSTIN MINDINGMONEY

SEPTEMBER/OCTOBER 2014



FOR THE FRIENDS AND CLIENTS
OF LARA AUSTIN OF
RBC DOMINION SECURITIES

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FALL IS A GREAT TIME FOR EDUCATION

Perhaps it's just me, even though it's been over 20 years since I attended a formal educational institution, I'm eager to head out and buy a fresh set of pens and highlighters come September. I also try to participate in whatever education opportunities available to me in the industry.

This year I have two 2-day workshops happening in late Sept and early October and two more one day events in November. Although this is more non-office days than I would like, I couldn't pass up the opportunity to learn new skills and resources to share with my clients in the areas of Estate Planning, Tax Strategy, Portfolio Management and Financial Planning. Even after over 20 years in the business, there is always room to learn more.

This fall, I'm also providing an opportunity for clients and readers of my newsletter to attend a FRESH NEW Estate and Succession Presentation. Even if you have attended prior presentations on Estate planning and feel you know the basics, the new WESA (Will Estate Succession ACT) that came into effect March 31, 2014 could possibly change how you think about your estate. Some of the changes were highlighted in my May/June 2014 newsletter, however ASKING the experts in person, and in particular listening the questions OTHERS ask is a great way to learn.

Memories of summer... Our family made a long overdue sojourn to Ontario. My favorite memories include a stop in Yellowstone National Park (up close and personal with some buffalo), visiting family in Ontario – including some distant relatives I haven't seen in over 20 years and my wonderful 91 year old Gramma in Hamilton. My boys (now 12 and 17) enjoyed the thrills of Canada's wonderland, the CN Tower and Niagara Falls. Our home base was a lovely country farmhouse, where an elderly Austrian couple made us breakfast daily (first time at B&B and loved it!)

My Gramma is doing well. I'm so proud of her living independently, but having relinquished access to her car this year, she is starting to understand that certain other aspects of her life require some assistance too. She is relying on my Uncle to assist her, but I gave her some ideas based on my experience with elderly clients. Some of which I'll share with you later in this newsletter.

Looking forward to another exciting fall that includes the opportunity to assist my wonderful clients in our regular FALL REVIEW's, and the opportunity to meet new potential clients. I look forward to providing simple, yet effective solutions that help you meet the challenges of living well for today and tomorrow.

Cheers,
Lara D. Austin



RBC Wealth Management
Dominion Securities

BEST PRACTICES FOR AGING CLIENTS

The Situation:

For the average couple aged 65 today, there is a 51% chance that both spouses will reach age 80. The probability of either spouse surviving to age 80 moves up to 92%. As unlikely as it may seem, the probability that one of the spouses reaches the 100 year mark is still 11%! It is estimated that by the year 2045, for more than one in four couples, one partner will survive to age 100, and three-quarters of all couples will have one spouse reach age 90.

- 96% of seniors have not talked to their families about getting assistance, and 50% believe families will provide care but have not discussed their care wishes.
- Less than half (47%) of older Canadians have researched ways to help themselves live independently.
- Many elderly can be quite 'sharp' into their later years, but should physical and cognitive deterioration occur, some individuals will not be able to manage their financial affairs properly and may be prone to financial abuse.

- It has been documented that seniors use a different 'thinking process' to make their decisions. Including a switch from 'Fluid Thinking' to 'Crystallized Thinking' and a shift from 'Left Brain' thinking to 'Right Brain' thinking. Your financial professional needs to recognize that review meetings should include using words/pacing appropriate for a changed thinking style.
- Elderly clients should be aware that some 'elderly specialist designations' may not have been approved by industry regulators and could pose a risk as it may be used to imply expertise and credentials that do not exist.
- Three quarters of the inquiry calls to the BC Centre for Elder Advocacy relate to elder financial abuse.
- Over half of the complaints received by the regulator IIROC (Investment Industry Regulatory Organization of Canada) and the OBSI (Ombudsman for Banking Services and Investments) relate to clients over the age of 60.
- Many Clients AND Professionals are not fully aware of how increased care costs will affect the financial circumstances of the senior and their spouse.

Living Costs For Seniors

- Costs of 'aging in place' – Home Care is \$22-\$70 per hour for nursing care, and \$16-30 per hour for non-medical personal care. IF 24/7 care is needed can total \$15,000/month.
- Costs of Assistant Living/ Retirement Home Care – Range by province but basic accommodation is \$1,500 - \$2,500/month. Luxury facilities \$6,000-\$8,000/month.
- Long Term Nursing Care – sometimes subsidized, rates range from \$1400 to \$2600/ month.
- Specialized/Hospice Care – currently in Canada, at least 70% of Canadians do not have access to palliative care.

Practical Solutions

- Involve the next generation (or your chosen advocate) in meetings with your professionals (accountants, lawyers, investment professionals).
- Make notes of conversations you have with your professionals.
- Send a copy of accounts statements to your Power of Attorney (this can be automated at most firms).
- Set up 'Trading Authorization' for your trusted advocate, in the event that your ability to make decisions is impaired (not the same as Power of Attorney).
- Create a CARE PLAN to address the final years of your life.

To address:

- How much care we receive
 - The quality of care we receive
 - Who delivers that care
 - Where the care is delivered
 - For how long care is delivered
- Request your Investment Advisor to COME TO YOUR HOME (once a trusting relationship has been established) should your mobility decrease (many of us will accommodate!)



TIMELY PRESENTATION...

YOUR WILL AND SUCCESSION PLAN AND THE NEW ACT

- Highlighting Estate Planning Basics
- Power of Attorney Planning
- NEW WESA (Will Estate Succession ACT that came into force March 31, 2014) and what those changes mean to you!

This presentation is appropriate for:

- Those looking to UPDATE their Estate Documents (Will, Power of Attorney, Health Care Agreements)
- Those with NO Will or Power of Attorney (Yikes!)
- Those finding it difficult to name an Executor and/or Power of Attorney, or who are unsure of the responsibilities they have provided their current choices
- Those with unique circumstances (blended families, beneficiaries who are spendthrifts/money challenged)
- Open to clients and readers of this newsletter. If bringing friends/family please advise numbers

Date:	Sept 18, 2014
Time:	2PM
Location:	Provided on RSVP (Courtenay East)
RSVP:	250-334-5606 or lara.austin@rbc.com

Your Hostess: Lara Austin, Investment Advisor RBC Dominion Securities

Lara works with successful retirees and professionals, providing support in wealth management, she has been licensed since 1995 and practicing in the Comox Valley since 2002.

The Specialists you will be hearing from:

Sasha Nowicki (Swift Datoo)

After graduating from UBC's Faculty of Law in 2002, Sasha articulated and practiced with a major national law firm in their Calgary office. She practices in the areas of Wills and Estates and corporate-commercial law. Sasha moved back west to the Comox Valley and began practicing law in Courtenay in the spring of 2011. In 2012 she was a Comox Valley Top 40 Under 40 award recipient.

Catherine Miller (Allen and Company)

Catherine is a member of the Law Society of BC (2008) and an inactive member of the Law Society of Alberta (1987). She graduated from the University of Calgary Bachelor of Law in 1986. Catherine was President of the Sid Williams board for two years. She practices in the areas of Real Estate and Wills and Estates.

Susan Benesch

As Estate and Trust Advisor based in Victoria, BC, Susan Benesch provides estate and trust solutions for executors and families throughout Vancouver Island. Susan is the dedicated liaison between named executors and the complete range of estate and trust services offered by RBC. She acts as a compassionate, expert third party for executors, helping to relieve their administrative burden and manage their estate settlement duties.



FALL REVIEW MEETINGS

Will Run Sept 8 through to Nov 15.
We will be calling to book your meeting.

Meetings will include:

- Identifying any change in your goals, objectives or expectations
- Portfolio Assessment including individual Fund/Equity positions and upcoming maturities
- Review of income/cash flow needs
- Review of tax effectiveness (gain/loss reporting if required)
- RESP (education account top-up) before December
- Update to family snapshot (if not done in last 2 years)
- Update of IMPORTANT PEOPLE and contacts (ie your accountant, lawyer, next of kin, executors)

- For clients travelling this winter, be prepared to provide advance instruction for TFSA contribution. Post-dated cheques can be kept in our vault.

Helpful Tips:

FIND Tax-Free Savings Account ROOM

You DS Statement provides information on CONTRIBUTIONS made at RBC Dominion Securities. (found at bottom of front page). This page does NOT include transfer IN's from other institutions (as contribution vs. growth cannot be determined).

In the event that your plan-to-date contributions haven't totaled

\$31,000 (the max to 2014) you can call CRA to confirm your allowable room.

**CALL CRA at 1-800-959-8281
Press 4, then 2**

Have Ready your SIN #, Date of birth and reference amount in line 150 for 2013 Tax return.

Reminder:

It is at the onus of the investor to keep track of their TFSA room, however I will do everything possible to ensure that you don't 'go over' and face penalties.

Currency Transactions - a complimentary service for our valued clients

A reminder to clients who hold cash assets in other countries and wish to consolidate their holdings in Canada. We offer the ability to convert funds from 16 world wide currencies to Canadian. We also provide a premium rate for Canadian to US conversions.

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