



For the Friends and Clients
of Lara Austin of
RBC Dominion Securities

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Greetings readers

Over the last few weeks, I have enjoyed helping my husband build a deck. To be fair, this is mostly his skill set (given his 30+ year career installing custom cabinetry) and entirely his project. I'm only brought in occasionally as the "gopher" and for staining, and I get to have an opinion ... sometimes.

At one point, he asked me to help review the measurements before calculating how much decking to order. It became apparent to me that I cannot read a blueprint/layout well. I can slowly work my way through it – but it took effort. It made me think how hard it is for the average investor to read statements. Not just investment statements, but pension statements, insurance statements, etc.

Occasionally I come across an instance in a "Discovery Meeting" (either a meeting with new clients or a Financial Plan Discovery for existing clients) where the spouse's info was missing as a beneficiary of pension statements, or the beneficiary info was missing from tax shelter account statements or from insurance papers. There are possible reasons for this to happen. Perhaps a "box" was missed when paperwork was originally done, or a data entry clerk missed the information when inputting it into the computer system, and occasionally if a company gets taken over (i.e. insurance policies get moved from one company to another in a buyout), the information has been dropped in the transition. These folks had received annual statements

for years, but didn't "catch" what was missing, because there were only reviewing for what they saw – not what they didn't see! This "missing information" could have serious consequences on a family's financial well-being.

Financial advisors are instrumental in the financial health of our community and it's not about "selling." Fewer people are retiring with fixed pensions, retirees are living longer, family dynamics are becoming more complex, and financial product choices more abundant. Our society has to be prepared to make informed financial choices. The future is bright for those who have an interest in a financial advisory career over the next 10 to 20 years. I have decided to be a catalyst for cultivating valuable professionals coming into this career, and as such have made myself available for a "career day" at the local college and have initiated an award with NIC Foundation (details in this newsletter).

Back to the patio ... we will find out over the next week if we ordered "enough" decking. It would have been easier math for a perfectly square/rectangle deck – but no... we had to design something with a sloping angles on each side! (Grade 11 geometry is long gone from my head!) Wish us luck!

Sincerely,
Lara D. Austin

CPP survivor benefits

Most people don't understand survivor benefits unless they have directly been touched by the death of a spouse or parent. In many households, the benefit can provide a much-needed cash flow source, but sadly is often not as much as people expect.

Currently there are 1.1 million Canadians receiving survivor benefits. It is forecast that 77,000 new survivor pensions will be issued in 2017, with the majority going to survivors older than 65. The average monthly survivor pension as of March 2017 was \$429/month for those younger than 65 and \$315/month for those older than 65.

Who qualifies to be a survivor?

According to CPP legislation, a common-law spouse's claim takes precedence over the claim of a spouse. If the contributor is not in a common-law relationship – it will be the person whom the contributor was married to at time of death.

Common-law is defined as a couple living together in a conjugal relationship for 12 months or more (last name does not have to be the same – although I've always been curious how they "prove" it was conjugal!).

Consider that a person who is separated, but not legally divorced is living with another person for 12 months. It is the common-law spouse who gets the pension!

Deathbed marriages might seem like a sound solution – however if Service Canada investigates

and finds that the newly married spouse didn't have a life expectancy of at least one year at the time of marriage, then the survivor may have to repay benefits!

Prior to 1987, a remarriage would have resulted in loss of death benefits, however this has been reversed, and a remarried person can continue to receive survivor benefits.

A survivor can only receive one "set" of benefits. If they are unfortunate to have two spouses predecease them, they are entitled to the "larger" pension only.

If a couple has been sharing CPP benefits, the sharing will cease one month after one of the partners has died, and adjusted back to what the pension would have been before the sharing.

Survivors should apply for benefits as soon as possible – as retroactive payments are paid to a maximum of 12 months.

Other eligibility includes:

- Benefits to those who are at least 35 (at time of spouse's death) who have dependent children or are disabled.
- Benefits to orphan children – up to age 18, or from 18-25

if child is in post-secondary, college or training program.

Changes to legislation – Bill C-26 passed in December 2016 – resulted in higher benefits to survivors. However, the system will take time to mature and so survivors in the near future will not benefit from the changes.

What to discuss with your financial advisor

A strong financial plan plays "what if":

- What if either spouse dies or becomes incapacitated? Will there be enough lump sum payouts or cash flow for the survivor and any children to continue?
- What if you find yourself a survivor? Will the change in pension income affect your risk tolerance and are any changes needed to your portfolios?

It is important to become informed on the "gaps" and take appropriate corrective action before life throws a curve ball!



Mark your Calendars for Lara's fall events.

Open to clients, friends of clients and readers/followers of my newsletter and social media.

ESTATE PLANNING – effective choices that maximize your wishes!

November 23, 2017
1:30 p.m. to 2:30 p.m.
Crown Isle – Silver Room

Designed for those at any point in their life who are concerned about how their estate will be affected by family dynamics, taxes and distribution.

- Three common misunderstandings that can derail your estate plan

- Four creative solutions for enhancing your estate – legitimately!
- What to consider in choosing your support cast – Your Power of Attorney and Executor!
- Useful checklists and resources

RETIRING – tipping point choices that last a lifetime

November 23, 2017
3:30 p.m. to 4:30 p.m.
Crown Isle – Silver Room

Designed for those within five years of retiring or in the crucial first three years of retirement

- Five critical choices retirees make in the first three years of retirement
- Three mistakes mostly commonly made when investing in RRIF accounts
- Four guidelines for a successful retirement

More events... times and locations can be found ONLINE www.LaraAustin.com.

Be kind to those you leave behind – Five-week course

We may not want to think about or even admit it, but our passing is inevitable. Before then, there can be financial and health decisions to consider, personal arrangements to make, and information required by our loved ones, as well as our Powers of Attorney, executors, financial advisors and health representatives ... making it easier and faster for them to handle all that will be required of them upon our deaths.

As you know, we at RBC Dominion Securities believe in the importance not only of

financial planning, but personal and health planning. It just makes sense.

We are extending an invitation to our clients to attend “Be Kind to Those You Leave Behind” – a course that will help you clarify your health care wishes, gather practical and important information and documentation for your families and Executors, and guide and encourage you to pull it all together.

Presenter Linda McLean has facilitated this course 15 times for ElderCollege, the Florence Filberg

Centre's Evergreen Club, and individual groups. Classes have filled within hours of opening for registration.

There is no cost for the clients who would like to commit to and attend this course.

If you are available for five Thursdays, from 2:30 p.m. to 4:00 p.m., from April 12 to May 17 at RBC DS Boardroom, call Una at 250-334-5604 or email una.guile@rbc.com for more information, or to register. Deadline for registration is April 1!

Lara D. Austin Financial Foothold Award

I believe ... that good personal financial planning leads to stronger, resilient and more charitable communities.

I believe ... that education can benefit both your career, yourself and society.

I believe ... that technology will bring many benefits to the world of finance, yet investors will only feel comfortable sharing their hopes and fears with another human.

Therefore: I will commit to assisting the next generation of financial professionals.

Introducing the “Financial Foothold Award” available through North Island College Foundation

Every year going forward, three awards of \$700 will be provided to those who complete the Canadian Securities Course.

This course (offered through the Canadian Securities Institute) is a self-directed course that is considered the industry benchmark, and baseline regulatory requirement for many positions in financial services (award covers half of course cost).

Applicants must:

- Live in Comox Valley and surrounding area (resident for last 12 months)
- Can come from any background or discipline at North Island College
- Can be full-time or part-time students
- Do NOT need to demonstrate financial need
- Must have already passed the course in the preceding 12 months (proof required)
- Write a one-page letter about why they took the course, and what they hope to do with it

As 2017 Bursary and Award Booklet has already been issued, those applying for this award are encourage to do so directly with me (up to December 31, 2017). In 2018 and forward, the application can be made directly to NIC Foundation before April 30 every year.



Remembrance Day – Lest We Forget



Grandpa Austin pictured here with his Distinguished Flying Cross.

Thank you Grandpa Warren Russell Austin (408 Squadron) for your sacrifice to give us the freedom we know today. You are no longer with us, but your memory lives on.



**Wealth Management
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