

Ferebee Wealth Management Spring / Summer 2018



Wealth Management
Dominion Securities

April 2018



What's new in 2018

Natalie's grandson Miles is now 2 ½. She and Jon have been babysitting Miles on the odd weekend, he is learning so many new words.

Stephanie came back to work March 1st from maternity leave. Just in time for tax season. Her son Sutton is growing like a weed and still has everyone in the office wrapped around his finger.

Ruby is looking forward to summer as her children and grandson will be visiting. They are planning on doing some much needed relaxing on the beach. That is if we ever get summer!!

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Through RBC online banking, you can now send and receive secure messages to and from us. If you have access to RBC online banking or RBC DS online we no longer need to send you a secure email, instead we can send the information securely through the online platform.

Need to request an administrative change to your investment accounts? You no longer need to provide your signature!

Don't have access to a printer, fax or scanner? Through the DS Online Secure Message Centre you can now request a variety of changes to your accounts, without having to provide your signature. Some of the requests include:

- [Update Address or contact details](#)
- [Remove a trading authority from your account](#)
- [Provide authorization for a third party to view your accounts on DS Online](#)
- [Provide authorization to charge account management fees to a different account](#)
- [Request funds be wired to another account](#)
- [Request a cheque be printed from your account](#)
- [Request a withdrawal from your RSP](#)
- [Request an early RIF or LIF payment](#)
- [Request a change to your RIF or LIF payment method or schedule.](#)

Call Stephanie 250-770-1204 if you would like a tutorial or to be setup.

2018 handy financial planning facts

The following is a summary of some common financial planning-related information that you can use as a handy reference. Any values noted below are for **2018** unless stated otherwise.

RETIREMENT

Maximum CPP/QPP benefit at age 65	\$1,134.17 per month
Early CPP/QPP maximum benefit at age 60	\$725.87 per month (36% max reduction or 0.6% per month)
Deferred CPP/QPP maximum benefit at age 70	\$1,610.52 per month (42% max increase or 0.7% per month)
Max CPP/QPP contributions employer and employee	CPP \$2,593.80 each annually
Maximum CPP/QPP contributions self-employed	CPP \$5,187.60 annually
YMPE – Yearly Maximum Pensionable Earnings	\$55,900
Maximum OAS benefit for Q1 at age 65	\$586.66 per month
Deferred OAS maximum benefit for Q1 at age 70	\$797.86 per month (36% max increase or 0.6% per month)
OAS clawback rate	\$0.15 for every \$1 of net income above \$75,910; full OAS is eliminated at a net income of \$122,843
CANSIM rate	2.16%
RRSP – maximum annual deduction limit	\$26,010 for 2017 \$26,230 for 2018
RRSP – withholding tax on withdrawals	10% for amounts up to \$5,000 20% for amounts over \$5,000 up to and including \$15,000 30% for amounts over \$15,000
Annual TFSA contribution limits	\$5,000 each year 2009 – 2012 \$5,500 each year 2013 – 2014 \$10,000 for 2015 \$5,500 for 2016 – 2018
Maximum TFSA contribution limit since inception	\$57,500 from 2009 – 2018

Tax

Federal tax brackets and rates based on taxable income

Taxable income	Federal rate
Up to \$46,605	15%
Over \$46,605 up to \$93,208	20.5%
Over \$93,208 up to \$144,489	26%
Over \$144,489 up to \$205,842	29%
Over \$205,842	33%

Three things every inheritor should know

Despite appearances to the contrary, receiving an inheritance can be a very challenging experience. Managing a transfer of assets at a time of bereavement is difficult emotionally, and that can be further amplified if an inheritor has never before received an inheritance or been well-informed about the process beforehand.

Inheritors in Canada are generally unprepared to receive a transfer of wealth, according to our survey of 1,054 high net worth individuals on their attitudes and intentions toward giving and inheriting wealth. In part, it's because "family inheritance is one of those conversation topics that is still strangely taboo," says survey respondent Beth, a 50-something entrepreneur.

Here are three simple ways that family members can help improve the inheritance experience for their heirs.

1. Communicate your wishes

The process of planning an estate, and later executing it, is not always as smooth as a benefactor may have hoped. Often, that's due to a lack of communication. "The older generation sometimes neglects to communicate their expectations and goals to their heirs," says Abby Kassar, Vice-President of High Net Worth Planning Services at RBC Wealth Management in Toronto.

The first question an inheritor is likely to ask is 'What am I getting?' This is a question most benefactors anticipate: our research found that 75 percent of Canadians surveyed were informed of the dollar value of their inheritance in advance. However, an equally important question for an inheritor may be 'What should I do with it?' – yet considerably fewer respondents knew the answer. Only 32 percent of inheritors surveyed had been told in advance how their benefactors wanted them to use the assets.

Would-be inheritors may not think to ask this question, or they may be reluctant to ask it out of fear that it may be perceived as eagerness to take over the estate. This puts greater onus on the family elders to broach the subject well ahead of time, says Kassar.

"Inheritors probably don't know the right questions to ask, and they may not feel comfortable asking them," she says. But a lack of communication can lead to the money or other assets being used in ways that may not align with a benefactor's wishes.

2. Learn about the options

Many beneficiaries find that the difficulties of receiving an inheritance are exacerbated by a lack of knowledge about how wealth transfer works. Only 28 percent of Canadians surveyed say they had been made aware of the different ways of transferring wealth.

There are different means of transferring wealth, depending on your objectives. For instance, instead of a direct transfer of cash, a benefactor may choose to put funds into a trust, which will disperse the assets over time. A benefactor may also fund a life insurance policy, and name a beneficiary to receive the death benefit. Some choose to use joint accounts with rights of survivorship to transfer assets to their intended beneficiaries.

Of course, there are many more options for transferring wealth in the form of real estate, securities, and registered products that can be passed on to the heir. In the case of a family business, assets can be handed down in the form of company shares. Whatever the case, special consideration needs to be given to the instruments being used to facilitate the transfer. A lack of familiarity with these instruments may lead to confusion or poor decision-making, which can negatively impact the estate.

3. Introduce the team

Many benefactors don't introduce their heirs to the professionals charged with handling the transfer of assets: only 14 percent of survey respondents say their parents introduced them to the team. This can lead to hasty, first-time meetings conducted during a time of bereavement, which can cause greater stress, possible misunderstandings, and logistical problems as heirs try to sort out whom they need to deal with.

"I think it's a good idea for parents or other benefactors to have a family meeting to introduce their heirs to some of the professionals who have been involved in the estate planning process," says Lipkin. These typically include lawyers, tax advisors, accountants, financial advisors, insurance agents and possibly business valuers. It's important for heirs to understand their roles and responsibilities, and how they coordinate their efforts to execute the estate plan.

Tuscan garlic chicken



Prep 15 mins • **Cook** 45 mins • **Total** 60 mins

Serves 8

INGREDIENTS

- 2 lbs boneless, skinless chicken breast (about 3-4 chicken breasts)
- 2 cloves garlic
- a pinch of salt and pepper
- 2 oz fresh baby spinach
- 1 can artichoke hearts, drained and chopped
- 1 jar sun dried tomatoes, drained with 1 tbsp oil reserved, and chopped
- 1 cup mozzarella cheese, grated

INSTRUCTIONS

1. Preheat the oven to 375°F.
2. Lay the chicken flat in the bottom of a large casserole dish. Season with salt and pepper then press garlic and spread it evenly over the chicken breast. Place the spinach, artichoke hearts and sun dried tomatoes on top of the chicken and then drizzle the tablespoon of oil reserved from the sun dried tomatoes. Finish by topping with mozzarella cheese.
3. Bake for 45-50 minutes total. Cook 20 minutes uncovered then loosely cover with foil for 25-30 minutes or until the chicken is cooked through (165°F internal temperature).
4. Serve with your choice of sides and ENJOY!

Natalie's Upcoming Schedule

Terrace: August 20th – 21st

Smithers: August 22nd – 24th

Vancouver / Victoria Oct 2018 (Dates – TBA)

Natalie Summer Holidays: July 27th – August 3rd (tentative)



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