FINANCIAL PLANNING **CHECKLIST** FOR SENIORS

Compliments of the Wealth Management Team of Stephanie Woo, FMA, CIM
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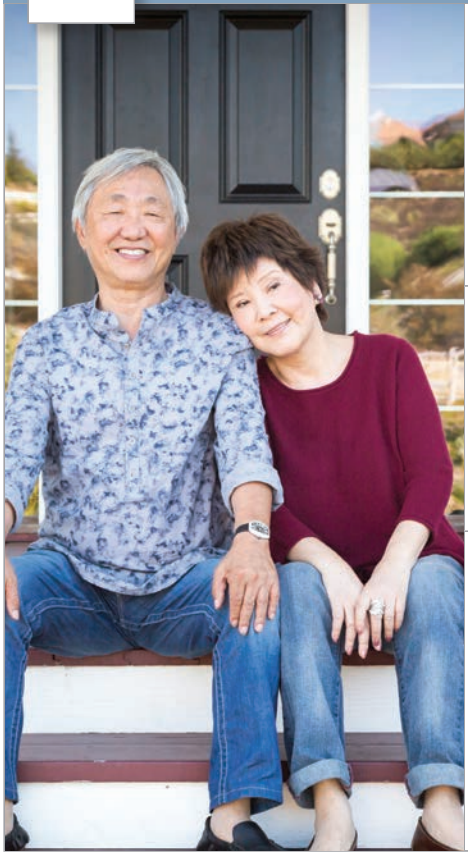
There are many tax, investment and estate planning strategies available throughout an individual's lifetime, but there are also some that are more relevant for seniors or that apply specifically to those age 65 or over. The following is a chart of commonly used strategies:

(Note: Any reference to "spouse" also includes a common-law partner.)

INCOME SPLITTING

1



Pension income splitting	If your spouse's marginal tax rate is lower than yours, it may be possible to split up to 50 percent of your eligible pension income with your spouse. Eligible pension income includes life annuity payments from a registered pension plan* and, once 65 or older, withdrawals from Registered Retirement Income Fund (RRIF) and Life Income Fund (LIF) accounts.
Spousal Registered Retirement Savings Plan (RRSP) contribution	You may want to make contributions to a spousal RRSP if your anticipated retirement income is higher than that of your spouse. In so doing, you will effectively be splitting income with your spouse in retirement, while you still realize an RRSP deduction in your current year's tax return.
Pension sharing	If you and your spouse are age 60 or over and are receiving or eligible to receive Canada Pension Plan or Quebec Pension Plan benefits, and you will have higher income in retirement, consider sharing these pension benefits with your spouse and make an application to Service Canada/Retraite Quebec. They will determine the portion that may be allocated to the lower-income spouse and taxed in their hands.

** If you are a resident of Quebec, you will only be able to split life annuity payments from a registered pension plan for provincial tax purposes if you are 65 years of age or older.*

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TAX MINIMIZATION

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RRSP contribution	If you're turning 71 this year and are either still generating RRSP contribution room or have unused RRSP contribution room, consider making a final RRSP contribution, before converting your RRSP to a RRIF.
Tax-Free Savings Account (TFSA)	By contributing to your TFSA, any income earned (including capital gains) within it and any withdrawals made are generally tax-free, so they don't impact federal government income tested benefits (e.g. Old Age Security, Guaranteed Income Supplement), nor do they affect your entitlement to federal tax credits.
Use spouse's age for RRIF minimum payments	If you don't need the mandatory annual minimum RRIF payments and your spouse is younger than you, your spouse's age can be used to determine your annual minimum taxable RRIF withdrawals.

GOVERNMENT BENEFITS

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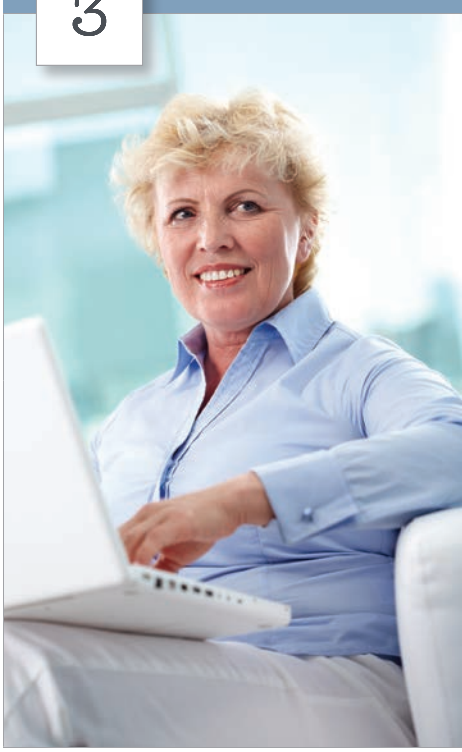
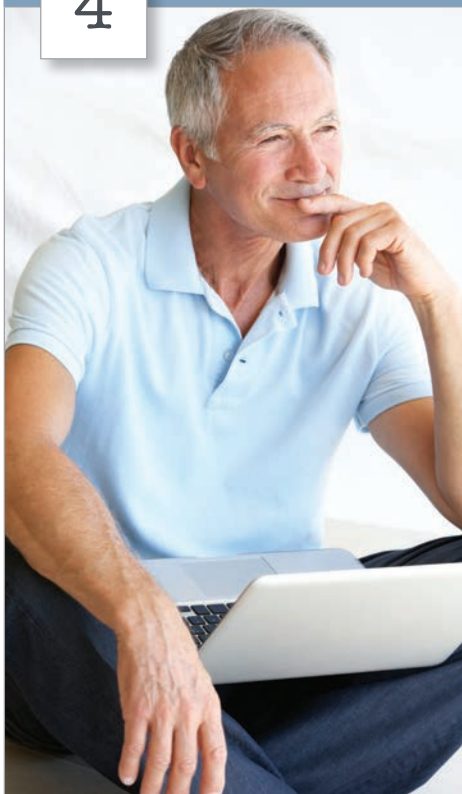


Old Age Security (OAS)	OAS payments are income tested and subject to clawback. If you anticipate that you will be subject to clawback at age 65 (when you would otherwise first be entitled to receive these payments), you can postpone receiving your OAS payments for up to five years, and, in turn, receive higher OAS monthly payments when your income may potentially be lower.
Canada Pension Plan (CPP)/Quebec Pension Plan (QPP)	The amount of CPP or QPP payments you will receive is based on past contributions to these programs and your age. Payments can be received as early as age 60, subject to a reduction. You can also delay receipt of payments up to age 70 and receive an increased monthly amount (which is increased by a certain percentage for each month you delay, after age 65 up to age 70).

TAX CREDITS

4



Age amount	The age amount is a federal non-refundable tax credit of $1,100 (15 percent of $7,333 for 2018). If you are age 65 and over, you may be able to claim the age amount on your tax return. If you do not need to claim all of the credit to reduce your federal taxes to zero, any unused amount can be transferred to your spouse in the current taxation year. It cannot be carried forward or back to other tax years.
Pension income tax credit	You may be entitled to receive a federal non-refundable pension income tax credit on the first $2,000 of eligible pension income you receive, which includes life annuity payments from a registered pension plan. When 65 or over, it also includes withdrawals from RRIF and LIF accounts. If you don't need to claim the entire credit to reduce your federal taxes to zero, unused amounts can be transferred to your spouse in the current taxation year. It cannot be carried forward or back to other tax years.

TRUSTS

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Inter-vivos trusts	An inter-vivos trust, such as a family trust created during your lifetime, can be used to income split with children or grandchildren, so as to provide ongoing financial support for family members. It also offers a means to transfer assets outside of your estate. If you are 65 and over, an alter ego trust or a joint partner trust (for spouses) may offer additional tax and estate planning opportunities for you and/or you and your spouse.
Testamentary trusts	A testamentary trust is established through your Will and is an alternative to an outright distribution of estate assets which can allow you to control the timing and distribution of assets. While the tax benefits are limited over the long term, with some exceptions, such a structure may still be worthy of consideration for your family.

GIFTS

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Gift assets	If you have determined that you do not require an asset or the income from that asset during your lifetime and it would otherwise be your intention to give it to your children or grandchildren, an outright gift during your lifetime may benefit you and your family. It is important, however, to recognize that, for tax purposes, you are deemed to have disposed of the assets at fair market value at the time of the gift. As well, if the gift recipient is a minor, there are attribution rules that may eliminate the tax benefits associated with making the gift.
In-kind donation of publicly listed securities	If philanthropy is a priority, you may want to consider gifting publicly listed securities, because any accrued capital gains should be tax-exempt and you will also receive a donation tax credit. Before pursuing this approach, discuss such plans with the intended charity to ensure that they can and will accept this form of gift.
Charitable remainder trust	In certain circumstances, a charitable remainder trust may be beneficial, partly because it provides you with immediate tax relief, instead of your future estate. A charitable remainder trust is established by contributing cash or other property to the trust and naming a charity as beneficiary. Throughout your lifetime, you will receive income from the trust, and upon your death, the remainder will pass directly to the charity you named. It is important to determine, in advance, whether the charity you intend to benefit can and will accept this form of gift.

The information provided is an overview of certain strategies and considerations, and may not necessarily apply to your individual situation or needs. To further discuss the details and to determine whether any of these, or other, strategies are suitable, it's crucial to consult with your qualified tax and legal advisors to ensure your personal circumstances and goals are properly accounted for.

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