Compliments of Sarah Voluntad

ISSSUE 01

FINANCIAL

UPDATES

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TAX-FREE FIRST HOME SAVINGS ACCOUNT

Back in 2022, the government proposed the introduction of the Tax-Free First Home Savings Account (FHSA). This new registered plan would give prospective first-time home buyers the ability to save $40,000 on a tax-free basis. Like a Registered Retirement Savings Plan (RRSP), contributions would be tax-deductible, and withdrawals to purchase a first home—including from investment income—would be non-taxable, like a Tax-Free Savings Account (TFSA).

To open an FHSA, an individual must be a resident of Canada and at least 18 years of age. In addition, an individual must be a first-time home buyer, meaning that they have not owned a home in which they lived at any time during the part of the calendar year before the account is opened or at any time in the preceding four calendar years. For this purpose, ownership is defined broadly and includes beneficial ownership, but excludes a right to acquire less than 10% of a qualifying home.

4 ESTATE PLANNING TIPS

1. Make a will
2. Appoint an Executor
3. Think about the fiscal impacts
4. Discuss it

Nobody likes to think about death or the burden it often represents for those we leave behind. Yet, it is important to be ready. Don't postpone this important task—decisions you have to make won't be easier in 5, 10 or 20 years!

1. Make a will

A will that clearly identifies your heirs is essential regardless of the value of your property.

"You have to plan the transfer of your assets regardless of their worth."

It safeguards your family's financial security and goes a long way to prevent family's financial security and goes a long way to prevent turmoil and conflict.

Are you in a common-law relationship> Then a will becomes even more important as a means to administer the situation for your heirs.

Estate planning is not just for those with a lot of money. You'd be wrong to think that a house and modest retirement savings doesn't warrant a will. You have to plan the transfer of your assets regardless of their worth.

2. Appoint an executor

Choose an executor (also called liquidator) you can trust. Tell them of your decision and make sure they are willing to understand what they are getting into and accept the responsibility.

Don't underestimate the work involved and try to make the task as straightforward as possible.

- Keep all the documents pertaining to your property, investments, insurances policies, etc. together in a safe place.
- Draw up a list of your assets and keep it up to date.

Considering the complexity of the role of executor, you may want to set aside an amount of money as compensation for the person.

3. Think about the fiscal impacts

Upon your death, your property will be considered as being sold and the applicable income tax will apply. This could cause major headaches and financial stress for your loved ones.

Take out life insurance.

- The policy proceeds paid out to your designated beneficiaries upon your death are not taxable.
- This money can be used to pay your funeral costs and debts, if any.

Don't postpone this important task—the decisions you have to make won't be any easier in 5, 10 or 20 years!

- If you own a house or condo, the money can be used to pay the capital gains and avoid your heirs having to sell your property.

Ask your advisor for advice on minimizing fiscal impacts of your death.

4. Discuss it

Discuss your plans with your family. Nobody will welcome the topic but they will be happy to be informed and know you aren't leaving anything to chance.

When the time comes, your heirs may be feeling overwhelmed and the legal ramifications maybe a lot for them to deal with. Your planning will make things easier for them!

And your golden years?

What happens if you are no longer able to manage your affairs due to illness or an accident?

A protection mandate is the answer. This document is used to appoint someone to take care of you and your finances if you are no longer able to.

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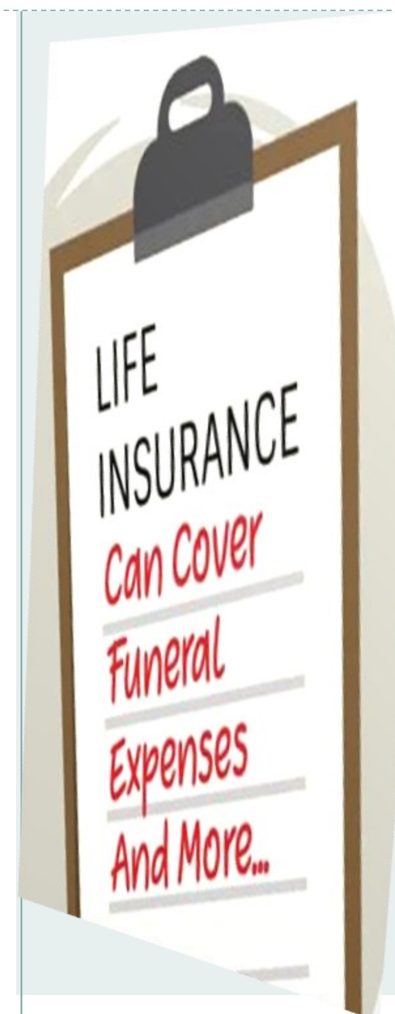

WHAT IS A SEGREGATED FUND?

- A life insurance policy/contract with an Insurer
- Policy ends on the death of the last annuitant
- The policy holder doesn't own units or shares of the fund or the insurance company
- Assets in the segregated fund are the property of the insurance company

What makes it Life Insurance?

- Offer at least a guaranteed return at maturity of 75% of the net amount invested
- Undertake to pay annuity at maturity
- Offer a death benefit to a named beneficiary

HIGH CASH VALUE LIFE INSURANCE

High Cash Value Whole Life Insurance Policy can be your alternative option to build Cash-Value asset, aside from giving you a death benefit coverage that you can use for estate planning, Cash Value inside the policy is liquid, maybe tax-free, and safely earning return that you can borrow anytime.

This is a specially designed life insurance policy that provides high cash value and minimize the cost of insurance so your money will get the highest growth potential that you can use for financing a rental property, building, equipment, house improvement, appliances, automobile, etc.

Imagine how much you can save for every purchase, or every time you use credit card, or credit line to help in your business. With Cash-value building life policy your money keeps growing inside the policy while you are able to use it.