

FINANCIAL

UPDATES



5 Ways to Get the Most Out of Your Tax Refunds

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Paying Down Debt & Saving for Retirement

What to do if Your Car is Stolen

**Sarah Voluntad
Insurance Broker
Direct: 204.583.1866**

*"Helping Canadians
save for generations"*



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For Alternative Resource: <https://www.genwealthsavers.com>

FOUR TIPS TO OPTIMIZE YOUR BUDGET

Here are some tips to keep in mind to ensure that your budget is optimal and that it keeps up with your situation over the years.

Give yourself leeway: It is often safer to round up your expenses to ensure that you are able to cover any unforeseen events that may arise, such as an appliance that stops working or a water leak in your home.

Identify repetitive and unnecessary expenses: When tracking your budget from month to month, identify recurring expenses that could be reduced. The classic example is that yummy little latte from your favourite barista! Think about it, three five-dollar coffees a week adds up to \$780 over the course of the year.

Plan for expenses that come back at the same time each year: Vehicle registration, snow removal and municipal taxes are all expenses that you can budget for in advance to ensure that you have the money in your pocket when it comes time to pay.

Adjust your budget when something changes: Whenever your income changes or a new life event occurs (such as the arrival of a new baby or purchase of a property), take the time to adjust your budget to avoid any unpleasant surprises or new financial stress.

5 WAYS TO GET THE MOST OUT OF TAX REFUND

Here are five ways to take the lead and administer your tax refund so that you can get the most out of it.

Contribute to your TFSA: in case of unexpected expenses or a difficult financial situation, building or consolidating an emergency fund using your tax refund is a wise

choice in order to be ready for the unexpected. As a general rule, it is advised to have access to the equivalent of three to six months' salary. Use your TFSA for your emergency fund is the best option. In fact, it's a flexible way to generate tax-free income while having access to the money at any time.

“It is advised to have access to the equivalent of three to six months' salary.”

Withdrawals are easy and non-taxable, and you can contribute the amount withdrawn the following year.

Contribute to your RRSP: investing your tax refund in your RRSP will allow you to take the lead and add to your retirement fund while lowering the tax rate for the current year. It's also time to benefit from your unused contribution room, especially since, by starting to contribute at the beginning of the year, your money has longer to grow.

Contribute to an RESP: it is important to [save for your children's or grandchildren's education](#) so that they can pursue post-secondary education. By investing your tax refund in an RESP, each dollar invested will maximize the [generous government grants](#) of up to 30% depending on your province of residence.

Pay off debt: for sound financial health, it's a smart idea to think about using even just a part of your tax refund to pay off your debt and ease your financial burdens. You will quickly see how simply saving on interest will help you save. First, settle the debt with the highest interest rate, like your credit card, store credit cards, or line of credit. You can refer to our [tips for sound debt management](#).

Treat yourself: if you have received a tax refund, it means you are disciplined and save systematically all year and you keep your finances in good shape. Think about using a portion of your refund to treat yourself, as you've more than earned a reward for having maintained your healthy savings habits.

PAYING DOWN DEBT AND SAVING FOR RETIREMENT

ADVANTAGES OF PAYING DOWN DEBT

By paying off your debt more quickly, there'll be less interest to pay and the repayment period will be shorter.

ADVANTAGES OF SAVING FOR RETIREMENT

It's no secret: the earlier you start to save, the more time your money will have to grow. What's more, by contributing to a [registered retirement savings plan \(RRSP\)](#), you'll reduce your taxable earnings and may be entitled to a tax refund.



“The earlier you start to save, the more time your money will have to grow.”

YOUR CURRENT SITUATION

These are the factors you need to take into account:

- Type of debt: Credit card, car loan, student loan, mortgage, etc.
- Your age and the age at which you want to retire
- Savings incentives such as employer contributions, tax deductions, etc.

Your ability to cover any unexpected costs (emergency fund equivalent to three months' salary).

HOW TO CHOOSE

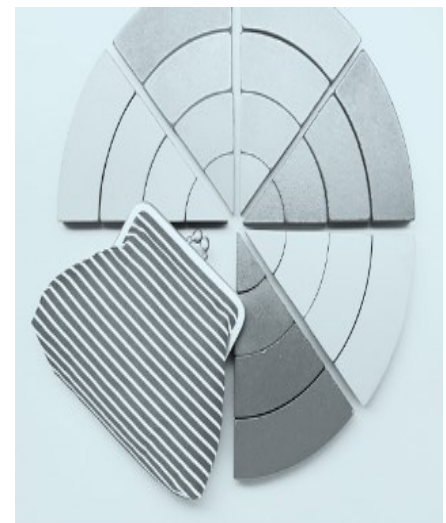
Compare the interest rate on your debt with the potential rate of return on your savings.

- If the interest you're paying on your debt is significantly higher than the expected return on your

savings, it would be more advantageous to pay down your debts.

- If you have a loan with a low interest rate, however, the long-term return on your RRSP, combined with the possible tax refund, may mean that saving is a better option for you. If you get a tax refund, why not use that to make a prepayment on your debt?

As you can see, there's more than one answer to this question. It all depends on your priorities, your income, your age and the type of debt you have. By taking the time to compare what your debt is costing you with what your savings might earn, you'll get a clearer picture of your situation. (IA Fin.)



WHAT TO DO IF YOUR CAR IS STOLEN

- **First, call 911**

By calling the police as soon as you realize your car was stolen, you increase your chances of getting it back.

If there are witnesses, provide their names and contact information. This useful information strengthens the police report.

Promptly informing law enforcement agencies can also save lives. Each year, forty people die and many others are injured after a car is stolen¹. In the hands of a criminal, a stolen vehicle can be a serious danger, since thieves often have no regard for public safety or the rules of the road.

- **Next, file a claim**

Once you have reported the theft, contact your insurer and prepare your claim with it. Make sure you have the info on hand:

- The police report number
- Your car insurance policy number
- Where your car was stolen.

The claims adjuster will check your car insurance coverage and inform you of the steps in your claim process. The adjuster will also provide you with the steps to follow to replace your car or to receive your compensation, if applicable.

Note that in general, you must wait five days for your insurer to confirm that your car has not been found². Afterward, if your claim is considered as receivable by your insurer, it will compensate you according to the terms of your insurance contract. **Finally**, to avoid these hassles, take precautions and stay vigilant.

Does Your Insurance Cover Your Child Aged 21 and Over

Here is some helpful information to determine whether your child aged 21+ is eligible for your group insurance coverage

Eligibility requirements

In order for your child aged 21 and over to remain eligible for your group insurance plan, he or she must attend a recognized educational institution on a full-time basis, not be married and be under 26 years of age.

Confirmation of student status

It is your responsibility to confirm the full-time student status of your child aged 21+ at the start of each school year.

Written evidence, such as proof of payment of tuition fees, sent by secure messaging, or a call to our customer service department, may be enough to confirm status, although additional information or evidence may be requested to complete the file.

Studying abroad

If your children are studying abroad, you need to confirm their full-time student status every year, even if they're under 21 years of age. If you like, your insurance company can provide you a customized letter confirming insurance coverage for the duration of their stay outside their province of residence.

Staying up-to-date

It's important to adjust your insurance coverage and benefits list based on your children's ages and your family's needs. If your family situation changes, such as through separation, the birth of a new child, or the end of your eldest child's full-time education, be sure to notify your plan administrator and adjust your coverage to reflect these life events.

Big Savings on Life Insurance!



Call/Text: 204.583.1866
Sarah Voluntad

“Turn your Premiums into Savings & build Cash Values way faster” – Glad to help!