


The National Association
of Federal Retirees

Algonquin Valley Branch

presents a workshop on

**Tiding Up Your Personal and
Financial Affairs**



**Tiding Up Your Personal
and Financial Affairs**

A Workshop

featuring

**You and Your Survivors
Workbook**



**What is the National Association of
Federal Retirees (formerly FSNA)?**

- The National Association of Federal Retirees is the largest and most influential advocacy group for federal retirees.
- Recognized by Government as the major representative of federal retirees.

Our mission is to:


**Promote the interests of and
Protect and enhance the benefits of
Federal retirees now and in the future**



If you are not a member,
you can join the
National Association
of Federal Retirees

visit


www.fsna.com
or
www.fsna.com/become-member.htm



**Today's Presentation on
Tiding Up Your Personal
and Financial Affairs**

is meant to:

- Raise the awareness of the importance of planning your future
- Help you gather your personal and financial information together
- Aid you to assess the fiscal future of you and your spouse
- Help you to utilize the workbook to find, collect, assess and store information vital to your estate



You and Your Survivors Workbook

- The workbook is designed for members of the National Association of Federal Retirees and their families.
- The workbook is a guide to help with estate planning.
- The workbook is a valuable tool to assist in the winding up of an estate.
- The workbook is available in both official languages.
- A copy is sent to all new members.
- Additional copies are \$5 for members; \$28 for non-members
- The workbook should be reviewed and updated each year.

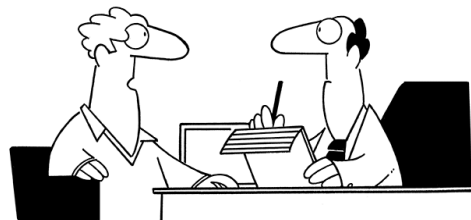
Purpose of the Workbook

- The workbook becomes a resource for those who will come to look after our affairs. It will be a compilation of helpful information to make their task easier.
- The workbook describes the rights of your survivors under various pension plans.
- The workbook also provides additional information related to the pension plans.
- The workbook supplies telephone numbers and addresses for various government and non-government contacts.



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INVESTMENTS AND FINANCIAL SERVICES



"My idea of planning for the future is programming the DVR."



The REAL Purpose of the Workbook

- To get you and your spouse communicating about both of your futures.
- You really do not want to leave your spouse's financial affairs in tatters;
- Together, you should decide and let your family know about your wishes; and
- To get you thinking, talking and acting – no longer ignoring or procrastinating!



The REAL Purpose of the Workbook



Let's Get Started

The workbook is divided into five parts and has three annexes:

- Part 1 – gives an overview of issues related to estate planning and the winding up of an estate.
- Part 2 – contains a compilation of information for your survivor(s) and executor.
- Part 3 – assists you to assess the adequacy of arrangements for your survivor(s).
- Part 4 – describes the rights of your survivor(s) under various pension plans.



Let's Get Started - Continued

- Part 5 – gives other sources of information, advice and assistance.
- Annex A – is a check list for you and your spouse to get started.
- Annex B – contains a National Association of Federal Retirees membership application for your spouse.
- Annex C – lists current addresses, phone numbers, websites, and e-mail addresses of relevant organizations.



Part 1: Estate Planning Overview



Part 1: Estate Planning Overview

The needs of your survivors are the fundamental concern of estate planning. You want to:

- Leave accurate records relating to your estate in an accessible location.
- Review your current income and expenses; then, estimate your survivor's income and expenses after your death.
- Consider taking necessary steps to enable someone to manage your affairs should you no longer be able to do so yourself.

Part 1: Estate Planning Overview (cont'd)

You want to:

- Provide Adequately for Your Survivors.

Pensions will not provide all the income a survivor needs

Part 1: Estate Planning Overview (cont'd)

You want to:

- Provide Adequately for Your Survivors.
- Put in place the Means of Transferring Assets Upon Death.

The means include – named beneficiary; joint ownership; will

Part 1: Estate Planning Overview (cont'd)

You want to:

- Provide Adequately for Your Survivors.
- Put in place the Means of Transferring Assets Upon Death.
- Restrict the use of Joint Accounts.

*The biggest issue is access after death
Discuss options with your bank manager
(Joint, Right of Survivorship)*

Part 1: Estate Planning Overview (cont'd)

You want to:

- Provide Adequately for Your Survivors.
- Put in place the Means of Transferring Assets Upon Death.
- Restrict the use of Joint Accounts.
- Minimize Probate Fees.

Make use of transfers to reduce probate, sometimes there is no simple solution to avoid probate; seek professional help

Part 1: Estate Planning Overview (cont'd)

You want to:

- Provide Adequately for Your Survivors.
- Put in place the Means of Transferring Assets Upon Death.
- Restrict the use of Joint Accounts.
- Minimize Probate Fees.
- Choose an Executor.

Keep in mind you want some who is competent and trustworthy



Part 1: Estate Planning Overview (cont'd)

You may want to:

- Appoint a Guardian.

Appropriate if you have minor or incapacitated children; leave instructions; seek professional advice



Part 1: Estate Planning Overview (cont'd)

You want to:

- Appoint a Guardian.
- Assign a Power of Attorney.

Only can be used during your lifetime; you can limit authority; the person assigned must have an original copy; seek professional help in preparing



Part 1: Estate Planning Overview (cont'd)

You want to:

- Appoint a Guardian.
- Assign a Power of Attorney.
- Establish a Living Will.

Explains how you wish to be treated if you become incapacitated by

- *Illness;*
- *Injury; or,*
- *old age*



Part 1: Estate Planning Overview (cont'd)

You want to:

- Appoint a Guardian.
- Assign a Power of Attorney.
- Establish a Living Will.
- Assign a Power of Attorney for Personal Care.

Usually come into effect only after you are mentally incapacitated



Part 1: Estate Planning Overview (cont'd)

You want to:

- Appoint a Guardian.
- Assign a Power of Attorney.
- Establish a Living Will.
- Assign a Power of Attorney for Personal Care.
- Authorize an Organ Donation card.

Decision to donate organs is a personal choice; consult with and make your family aware



Part 2: Providing Information for Your Survivor(s) and Executor

- Section 1: Personal and Contacts Information
- Section 2: Documenting Your Estate
- Section 3: Steps to be Taken when a Pensioner Dies



Part 2: Providing Information for Your Survivor(s) and Executor

Section 1: Personal and Contacts Information

- Name, Pension number(s)
- PSHCP, PDSP numbers
- Federal Retirees Member number
- Address, phone number
- DOB, Place of Birth, SIN
- Marital Status, Certificates
- Children, Key Advisors



Part 2: Providing Information for Your Survivor(s) and Executor

Section 2: Documenting Your Estate

*Obtain legal copies of all relevant documents;
If there is a previous marriage, get death certificate or divorce decree;
If there is no final separation or divorce there are implications – share death benefit;
For common-law spouses, get cracking*



Part 2: Providing Information for Your Survivor(s) and Executor

Section 2: Documenting Your Estate

- Personal Certificates and Documents
- Financial Certificates and Documents
- Insurance Certificates and Documents
- Statement of Assets, Liabilities and Income for each of the pensioner and spouse



Part 2: Providing Information for Your Survivor(s) and Executor

Section 3: Steps to be Taken When a Pensioner Dies

- Required Documents or Information
- Secure Superannuation Survivor Benefits
- Canada & Quebec Pension Plans
- Continued Life Insurance
- Other Entitlements (OAS, GIS)



Part 3: Providing Adequately for Your Survivors

Section 1: Evaluating Your Estate

Section 2: Assessing Your Survivor's Income



**Part 3: Providing Adequately
for Your Survivors**

Section 1: Evaluating Your Estate

Checklists to assess and transfer assets

- **Assets and Liabilities**
 - Bank accounts, death benefits, deeds, life insurance, loans, mortgages, mutual funds, GICs, stocks, bonds, RRSPs, RRIFs, TFSA's, safety deposit box, credit cards
- **Current Income Review**
 - Pensions, RRIFs, annuities, other income

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**Part 3: Providing Adequately
for Your Survivors**

Section 2: Assessing Your Survivor's Income

- Calculate current joint incomes and expenditures then estimate each other's income and expenditures alone for each spouse.
- **Will your survivor's income be adequate?** (typically the survivor needs 70-80% of joint income).

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**Part 3: Providing Adequately
for Your Survivors**

If your survivor's income is not sufficient, now is the time to plan to provide for the adequate income required.

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**Part 3: Providing Adequately
for Your Survivors**

If your survivor's income is not sufficient, now is the time to plan to provide for the adequate income required.

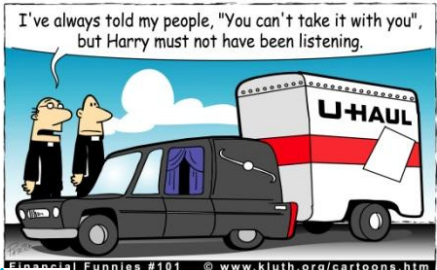
Consider as suggestions:

- Buy a life insurance policy with your survivor as beneficiary;
- Begin saving (cutting expenditures), but that may mean a reduced standard of living for you both;
- Delay conversion of RRSPs to RRIFs if possible;
- Take out a reverse mortgage

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**Part 3: Providing Adequately
for Your Survivors**

But Not This Suggestion!!



Financial Funnies #101 © www.kluth.org/cartoons.htm

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Simplified Case Study

- Sammy and Samantha Smith
- 40 years married, both 65 years old
- Two grown children & 3 grandchildren
- Sammy retired at age 60, giving 30 years to the civil service
- Sammy took CPP early at age 60
- Samantha worked for 10 years and took her CPP at 65
- Own their modest, mortgage-free home
- Been frugal savers over the years
- Both are in relatively good health, but Sammy has a minor heart condition

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Assets and Liabilities Sammy and Samantha Smith


ASSETS		Liabilities	
DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
Sammy			
Real Estate -1/2 Home	75,000	Mortgage	0
Household Goods – 1/2	10,000	Credit Cards (2)	30,000
Automobile – ½ of 2011 Honda	10,000	Loans Payable	0
Money on Deposit – GIC Bank of Montreal	50,000	Income Tax Owing	15,400
Investments – Mutual Funds at TD Waterhouse	100,000		
Life Insurance – New York Life – Joint/Last to Die Term 80	100,000		
RRSP – Bank of Montreal	100,000		
RRIF – Bank of Montreal	100,000		
Sammy's Total Assets	545,000	Sammy's Total Liabilities	45,000

Assets and Liabilities Sammy and Samantha Smith

ASSETS		Liabilities	
DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
Samantha			
Real Estate -1/2 Home	75,000	Mortgage	0
Household Goods – 1/2	10,000	Credit Cards (2)	15,000
Automobile – ½ of 2011 Honda	10,000	Loans Payable	0
Life Insurance – New York Life – Joint/Last to Die Term 80	100,000		
RRSP – Bank of Montreal	100,000	Income Tax Owing	0
Samantha's Total Assets	295,000	Samantha's Total Liabilities	15,000

Assets and Liabilities Sammy and Samantha Smith

ASSETS		Liabilities	
DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
Sammy			
Totals	545,000		45,400
Samantha			
Totals	295,000		15,000
Both Combined	840,000		60,400




Yearly Expenditures Sammy and Samantha Smith

ITEM	SAMMY	SAMANTHA	BOTH
1 Clothing	1,000	1,000	2,000
2 Donations and Gifts	2,000	2,500	4,500
3 Food	4,500	4,500	9,000
4 Health	4,000	2,000	6,000
5 Hobby	2,000	1,500	3,500
6 Life Insurance	1,000	1,000	2,000
7 Recreation	3,000	3,000	6,000
8 Shelter costs	6,000	6,000	12,000
9 Support for Others			
10 Transportation	2,500	2,500	5,000
11 Unusual Expenses			
12 Total Expenditures (Add lines 1 to 11)	\$26,000	\$24,000	\$50,000

Yearly Income and Expenses Sammy and Samantha Smith

ITEM	SAMMY	SAMANTHA	BOTH
INCOME			
1 Annuity	1,000	1,000	2,000
2 CPP/QPP	8,000	3,000	11,000
3 Employment			
4 GIS	0	0	0
5 OAS	7,200	7,200	14,400
6 Pension	30,000	0	30,000
7 Interest & Dividends	3,000	0	3,000
8 RRIF	5,000	0	5,000
9 Sub Total (Add lines 1 to 8)	54,200	11,200	65,400
10 Income Tax	15,400	0	15,400
11 DISPOSABLE INCOME	38,800	11,200	50,000
12 SHARED EXPENSES	26,000	24,000	50,000
13 OVERALL BALANCE			0

- ### Conducting an Assessment
- Look at current expenditures and estimate future expenditures for each surviving spouse.
 - Then estimate future incomes for each surviving spouse.
 - Review assets and liabilities to examine options to close any gaps in the cash flow between income and expenses
- 

Yearly Expenditures Assessment Sammy and Samantha Smith

ITEM	SAMMY	SAMANTHA	BOTH	SAMMY AS SURVIVOR	SAMANTHA AS SURVIVOR
1 Clothing	1,000	1,000	2,000	500	500
2 Donations and Gifts	2,000	2,500	4,500	2,000	2,000
3 Food	4,500	4,500	9,000	6,000	6,000
4 Health	4,000	2,000	6,000	4,000	2,000
5 Hobby	2,000	1,500	3,500	3,000	2,500
6 Life Insurance	1,000	1,000	2,000	2,000	2,000
7 Recreation	3,000	3,000	6,000	3,000	3,000
8 Shelter costs	6,000	6,000	12,000	12,000	12,000
9 Support for Others					
10 Transportation	2,500	2,500	5,000	4,000	4,000
11 Unusual Expenses					
12 Total Expenditures (Add lines 1 to 11)	\$26,000	\$24,000	\$50,000	\$39,000	\$37,000

Yearly Income Assessment Sammy and Samantha Smith

ITEM	SAMMY	SAMANTHA	BOTH	SAMMY AS SURVIVOR	SAMANTHA AS SURVIVOR
INCOME					
1 Annuity	1,000	1,000	2,000	2,000	2,000
2 CPP/QPP	8,000	3,000	11,000	8,000	7,000
3 Employment					
4 GIS	0	0	0	0	0
5 OAS	7,200	7,200	14,400	7,200	7,200
6 Pension	30,000	0	30,000	30,000	15,000
7 Interest & Dividends	3,000	0	3,000	3,000	3,000
8 RRIF	5,000	0	5,000	5,000	5,000
9 Sub Total (Add lines 1 to 8)	54,200	11,200	65,400	55,200	39,200
10 Income Tax	15,400	0	15,400	16,000	10,000
11 DISPOSABLE INCOME	38,800	11,200	50,000	39,200	29,200

Yearly Cash Flow Assessment Sammy and Samantha Smith

ITEM	SELF	SPOUSE	BOTH	SAMMY AS SURVIVOR	SAMANTHA AS SURVIVOR
INCOME					
Total	54,200	11,200	65,400	55,200	39,200
INCOME TAX					
Total	15,400	0	15,400	16,000	10,000
DISPOSABLE INCOME					
After Taxes	38,800	11,200	50,000	39,200	29,200
EXPENDITURES					
Total			50,000	39,000	37,000
CASH SHORTFALL					
Total		0	+200	-7,800	

Assets and Liabilities Samantha Smith

ASSETS		Liabilities	
DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
Samantha			
Real Estate -Home	150,000	Mortgage	0
Household Goods -	20,000	Credit Cards (2)	15,000
Automobile -	20,000	Loans Payable	0
Cashable Securities	150,000	Income Tax Owed	15,400
Bank of Montreal - GIC			
Investments - Mutual Funds at TD			
New York Life - Joint/Last to Die Term 80	200,000		
RRIF - Bank of Montreal	100,000		
RRSP - Bank of Montreal	200,000		
Assets Total	840,000	Liabilities Total	30,400

What are the Options for Samantha to Cover the Shortfall ?

Samantha could:

- Consume the savings (\$150,000) to give her 15 years top up
- Take a reverse mortgage (\$100,000) to give her 10 years top up
- Convert the RRSPs to RRIFs (\$200,000 combined) to last her indefinitely (aside from inflation issues)


Handling the Cash Shortfall Sammy and Samantha Smith

Other Sources of Income	SAMMY	SAMANTHA	Conversion to RRIF
RRSP Belonging to Sammy			
Total	100,000		4,700 (after tax)
RRSP Belonging to Samantha			
Total		100,000	4,700 (after tax)
Total Shortfall	+200	-7,800	
After Applying RRIF, Shortfall Disappears	+9,600	+1,600	

Part 4: Your Survivors and Their Entitlements

Section 1: Plans for Government Employees and Pensioners

Section 2: Plans for All Canadians




Part 4: Your Survivors and Their Entitlements

Section 1: Plans for Government Employees and Pensioners

- Superannuation Acts

½ of contributor's unreduced pension (if there is both a legal and common law spouse, benefit split based on years each cohabited with contributor)




Part 4: Your Survivors and Their Entitlements

Section 1: Plans for Government Employees and Pensioners

- Superannuation Acts
- Supplementary Death Benefit

Declining term life based on 2x salary at time of retirement; declines at 10% yearly after 65 until \$10k left. For CF, declines after 61, until \$5k left. Must have been purchased at retirement




Part 4: Your Survivors and Their Entitlements

Section 1: Plans for Government Employees and Pensioners

- Superannuation Acts
- Supplementary Death Benefit
- Public Service Health Care Plan

To avoid waiting period survivor must apply within 60 days of being entitled to receive an annual allowance; otherwise must wait 3 months without coverage




Part 4: Your Survivors and Their Entitlements

Section 1: Plans for Government Employees and Pensioners

- Superannuation Acts
- Supplementary Death Benefit
- Public Service Health Care Plan
- Pensioner's Dental Services Plan

Survivor in receipt of annual allowance is eligible to apply for membership at any time.




Part 4: Your Survivors and Their Entitlements

Section 2: Plans for All Canadians

- CPP/QPP

Surviving spouse receives monthly amount depending upon how much, how long contributor paid into plan; the spouse's age; and if spouse also receiving CPP disability or retirement pension.



Part 4: Your Survivors and Their Entitlements

Section 2: Plans for All Canadians

- CPP/QPP
- OAS, Monthly Allowance, GIS

OAS for all over age 65, lived in Canada for 40 years after age 18.

Monthly allowance for those between 60 and 64, married to an OAS recipient or widowed.

To receive GIS must be receiving OAS and be below qualifying level (\$16,994 for single).



Part 5: Other Sources of Information, Advice and Assistance

- Program available to All Survivors*

Memorial Society

- *Compares costs*
- *Negotiates agreement with funeral home*
- *In major urban centers (closest is Ottawa)*
- *Supplies members with pre-arrangement form where you can put your wishes in writing. Payment at death.*

*Not exclusive to National Association of Federal Retirees



Part 5: Other Sources of Information, Advice and Assistance

- Program available to All Survivors
- Programs offered to Federal Retirees
- *MEDOC Emergency Travel Insurance*
- *Long Term Care Insurance Program*
- *Johnson Home Auto Insurance*



Part 5: Other Sources of Information, Advice and Assistance

- Program available to All Survivors*
- Programs offered to Federal Retirees
- Programs for Survivors of War Veterans*
- *The Pension Act*
- *War Veterans Allowance*
- *Veterans Independence Program*
- *The Royal Canadian Legion*
- *The Last Post Fund*

*Not exclusive to National Association of Federal Retirees



Part 5: Other Sources of Information, Advice and Assistance

- Program available to All Survivors*
- Programs offered to Federal Retirees
- Programs for Survivors of War Veterans*
- Programs for Survivors of Public Service Pensioners*
- *Civil Servant Insurance*
- *Civil Service Mutual Benefit Society*

*Not exclusive to National Association of Federal Retirees



Part 5: Other Sources of Information, Advice and Assistance

- Program available to All Survivors*
- Programs offered to Federal Retirees
- Programs for Survivors of War Veterans*
- Programs for Survivors of Public Service Pensioners*
- Programs for Survivors of Canadian Forces Pensioners*
- *Service Benevolent Fund*
- *Service Income Security Insurance Plan*
- *Canadian Forces Personnel Assistance Fund*

*Not exclusive to National Association of Federal Retirees



Part 5: Other Sources of Information, Advice and Assistance

- Program available to All Survivors*
- Programs offered to Federal Retirees
- Programs for Survivors of War Veterans*
- Programs for Survivors of Public Service Pensioners*
- Programs for Survivors of Canadian Forces Pensioners*
- Program for Survivors of RCMP Pensioners*
- *RCMP Veterans Association Benefit Trust Fund*

*Not exclusive to National Association of Federal Retirees



Annex A: Check List

- Basic Information
- Statement of Assets and Liabilities
- Will
- Power(s) of Attorney
- Pensions, Annuities, RRIFs
- CPP/QPP
- OAS, GIS, Monthly Income Supplement
- Other Life Insurance Policies or Pensions



Annex B: Surviving Spouse's Application for National Association of Federal Retirees Membership

Application Form	
Name _____	First Name _____ Phone Number _____
Address _____	
Pension Source (check only one box): <input type="checkbox"/> PS <input type="checkbox"/> CF <input type="checkbox"/> RCMP <input type="checkbox"/> Judge	
Dues Deduction Authorization To be completed ONLY if you prefer to have your dues deducted monthly directly from your pension payment.	
I authorize Public Works and Government Services Canada to deduct the FSNA dues from my survivor allowance and to remit these dues to the FSNA. I understand that I may revoke this authorization at any time by notifying FSNA.	
Signature _____	Date _____
Pension Number _____	
Provision of information requested on this form is voluntary. You may, without prejudice, decline to respond. This information is being collected to enable deduction of membership dues from your survivor allowance. This information will not be disclosed to anyone other than Public Works and Government Services Canada.	



Annex C: Addresses and Telephone Numbers

- Pension Offices
- Public Pensions
- Insurance
- Private Sector Plans and Services
- Assistance Funds
- Birth, Marriage and Death Certificate Sources



Latest Version of the Contact List from You and Your Survivors Workbook

- An up-to-date Contact List can be found on the website
www.fsna.com
- Use the left hand index to locate **Publications / webcasts**
- Click to bring up a new page
- Then locate and click on **You and Your Survivors - A workbook**
- Then scroll down to find "For an up-to-date version, [click here.](#)"



What's Missing from the Workbook**?

- **How to Handle Digital Assets**
 - What are they?
 - Compiling Records

**Thanks to Lawrence Lupton for this contribution



Digital Assets – What Are They?

- Financial documents and accounts, used for banking, investing and bill paying.
- Social networking accounts – Twitter, LinkedIn, Facebook and so on.
- Video and photo sites such as YouTube and Flickr.
- Websites and programs.
- Online businesses such as eBay & Esty.



Digital Assets – Compiling Records

- Creating a diary is a great way to begin this process.
- When online, take the time to write down your username and password – and the answers to any security questions you might be asked.
- Store safely using a digital system such as Password Box or My Vault or even as a hard copy in a safety deposit box.



Conclusions

- The workbook serves as a guide to help with collecting your personal and financial information.
- The workbook helps you to address changes that will sooner or later take place in your life.
- It serves as a starting point to begin your estate planning and make information available to wind up your estate.



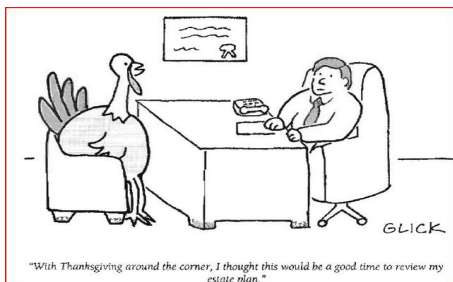
Conclusions

- The compilation of material in the workbook makes it easier to create updates to your wills.
- Make your survivors aware of the workbook location and its contents.
- You should as a minimum review the document once a year.



My Advice:

- Go home and start now!



A Final Word

**For local news and ongoing events
check out the
Algonquin Valley Branch
Website**

www.fsnaalgonquinvalley.com

