Balance
WEALTH MANAGEMENT GROUP

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INVESTOR UPDATE

FALL 2016

News from our office

We at Balance Wealth Management Group promise to commit to ongoing learning to better serve you. As a result, we are pleased to issue our first quarterly newsletter.

While summer seems a long time ago, Darren and Eric attended the MDRT, an organization supporting the best financial planners in the world annual meeting in June. The conference brought together over 10,000 advisors from 67 different countries to share ideas, learn and network.

In addition to this, Darren also attended the Independent Financial Brokers of Canada Spring Summit in June as well as a number of London Life / Great West Life sponsored conferences throughout the year – all focused on ongoing development and education, to which he is strongly committed.

In addition to furthering his education, Darren has been kept busy, serving on a number of committees within the Foundation of Chatham-Kent Health Alliance. He is also involved in the Give-as-you-go Chatham Kent Chapter of the Canadian Association of Gift Planners. More information about this great organization can be found at www.giveasyougo.ca. And – if that wasn't enough to fill his plate – Darren continues to be actively involved as a coach, volunteer – and a parent, with the Kent Minor Hockey Association.

Marketing Associate, Brenda Vanbiesbrouck, would like to thank everyone for their sponsorship and support for her participation in the "MS Bike – Grand Bend to London" this past July. She is looking forward to the 2017 event and continuing to help Canadians living with MS.

Finally - Darren and Eric, along with the other volunteers from the Chatham Freedom 55 Financial office, once again held the Annual Poor Boy Luncheon this October. Proceeds from this event were raised to benefit the Chatham-Kent Food Bank - Outreach for Hunger.

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Should you retire early or retire late?

There are some important issues to consider when deciding the right time to retire — and they'll have an impact on more than your wallet.

Financial differences

- Early retirement costs more. Whether you retired early to enjoy an active lifestyle or to nurse poor health, you'll spend more over the span of your retirement than most healthy, but older, retirees.
- Fewer saving years and more spending years demands discipline. If you can't stand budgeting, early retirement likely isn't for you.
- The government cheque isn't in the mail. You can't start CPP/QPP till age 60 (at a reduced rate) and Old Age Security doesn't begin until age 65.
- You stopped contributing to CPP/QPP and workplace savings plans early. So you can expect less income from them.
- Over time, you'll experience more inflation and the rollercoaster of more economic cycles. Buckle up!

Social differences

- You're young and free! Early retirement usually means having the vitality and time to do so much.
- But your friends aren't retired yet. It's like a kid going to a friend's house and being told that the friend has chores to do and can't come out to play for another 10 years.
- People wonder if you've chosen to be old. Endless marketing and media messages have made it accepted wisdom that "you're only as old as you feel." With the average age of retirement rising, increased availability of flexible work arrangements and elimination of a mandatory retirement age, will your still-working contemporaries think that by retiring early, you've chosen to become an old codger or old biddy prematurely?
- Most retirees are older than you. Often the people available to socialize during working hours are a lot older. Is this the generation gap you really want to close?
- Most recreational or social programs organized for retirees are geared to older people. Because you'll be relatively young and active, your options are to entertain yourself or throttle back activities to a level geared to a less-vital lifestyle.
- What's your contribution to society? Most early retirees we know recognize that their good fortune means they have both a greater opportunity and a greater responsibility to contribute to society.

Health differences

- You're likely to retire in good health. You might have time and opportunity to actually manage your personal wellness. Contrast that with a fellow named John. After hip replacement surgery 12 years ago, he returned to his factory job and plans to keep working till his hip (which is getting painful) needs replacing again. He's spending his finite health in order to work.
- But some retire in poor health. In addition to the direct physical and emotional effects of illness, poor health can lead to financial catastrophe, without the right insurance protection. Without critical illness insurance, disability insurance (while you're still working), or long-term care insurance, illness can take a double toll: pushing you into premature retirement and into financial hardship.
- Does retirement cause poor health? Several research studies have suggested that retirees become ill sooner than their working contemporaries. But the causes are unclear:
  - Is it just a coincidence?
  - Did poor health come first, causing sick people to retire?
  - Or did retirement come first, followed by poor wellness habits (e.g., not keeping mentally or physically active) that caused poor health?

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12 key documents you need to gather

Can you imagine what would happen if you died and your beneficiaries didn't know where to find your will? Or your money?

It happens all the time according to Jim Yih, author of the personal finance blog, retirehappy.ca: "When someone dies, there are a whole bunch of questions that need answers but the only person with the answers is not here anymore." You really love your family and friends, says Yih, so take the time to get your estate organized so you don't leave them with a big mess to sort through during such an emotional time.

To make sure this doesn't happen to your family, always have the following key documents safely stored together in a place where they can easily be found:

1. Your will: Outlines who gets what when you die. It also appoints guardians for your underage kids. Without a will, your assets will be divided according to provincial law, not your own wishes. Worse, your kids might end up not living with the guardian of your choice.
2. A living will: Spells out how you want to be treated if you are unable to make decisions about your own health (e.g., whether you want to receive life-sustaining treatments like respiration or resuscitation or whether you want organs donated).
3. A power of attorney: Gives someone the power to make financial decisions for you in the event you're no longer able to do so. Without this document, the courts will have to appoint a guardian to look after your affairs, and that can take a lot of time — and money.
4. Proof of ownership: Gather together all documents that show you own your house, land, vehicles, stocks and any other assets. Without these, your family might not know what you own or be able to prove it. Spell it out for them.
5. Six years of tax returns: Tax returns give your executor a sense of the assets and finances that are part of your estate.
6. A list of bank accounts and safety deposit boxes: According to the Bank of Canada, there are approximately 1.3 million unclaimed balances in Canada worth some $465 million. You want your family to be able to find your money — show them where it is by listing all your accounts.
7. Stock certificates and savings bonds: Hang onto your investment account statements and store them safely with your certificates (if you have any on paper), so your family can easily determine exactly what you own.
8. Pension, retirement and annuity documents: Help your family access any remaining retirement benefits they are eligible for through your retirement plan. If you're getting money from an annuity, the contract will help your beneficiaries understand what they are entitled to and from which company.
9. Insurance policies: You bought insurance so your loved ones would be financially covered when you die, so be sure to keep copies of all insurance-related documents on hand so your family will know what policies you have.
10. A list of your debts and loans: A list like this will ensure your family won't end up having any unwanted surprises down the road, such as debts they did not know about.
11. Marriage licence and/or divorce papers: Legal proof of marriage and divorce can make it easier for the executor of your estate and for your family.
12. Your user names and passwords: With social media and online accounts becoming increasingly important, you want to be sure your loved ones will be able to access your accounts.

Organizing these 12 types of documents should help get you well on your way to having an orderly estate.

3 important things to consider about Life Insurance

Most people find it unpleasant to think about life insurance, and that's completely understandable. But for the sake of your family and love ones, the responsible thing to do is to have a plan in place, whether you're 25 or 85.

That's why life insurance is vital. It provides support for your loved ones should the worst case scenario happen. Here are some basic things to know and questions to ask about life insurance.

How Much Do I Need?
It depends on your situation, both at present and as you move into the future. Here are a few of the basic considerations to take into account:

- Are you in a personal partnership (married)? Do you have children? Are there others outside of the immediate family that depend on you financially?
- If you have children, are you looking to fund their education in the event of your premature death?
- What other plans do you have for the future in terms of large expenses? For example, paying down a mortgage, paying for a wedding, buying a new car, etc.
- The best advice is to sit down with a financial planner and go through a financial needs analysis in order to determine an appropriate amount. And remember, polices as a general rule, should be revisited every few years to ensure that it still meets the needs of you, your family and loved ones.
- How will my premium be determined?

Predicting an individual's date of death with any degree of certainty is, of course, impossible. That's why insurers rely on data compiled by actuaries to base policies on statistical likelihoods. Based on different factors, individuals are classified into groups to determine their likely "risk" and premium. The more risk of death for a group based on these tables, the higher premium an individual within them will pay.

Some of these factors can include:

- Gender/Sex
- Age
- Physical Condition
- Medical History
- Habits (e.g. smoking)
- Location

Who will be the beneficiaries?

One of the most important decisions you can make is who the beneficiary of your life insurance policy will be. Many people will name their spouse as their beneficiary, and some will name their children. Some people might choose someone who has influenced their life in other ways, and some even choose a charity. There are a number of considerations to this decision, and you should do whatever feels right to you. Regardless of who you choose, here are a couple of things to keep in mind:

- Beneficiaries often opt to receive the payout in a lump sum, although there may be other settlement options available depending on how the policy was structured.
- Benefits in Canada are tax-free for the beneficiary.
- Benefits are paid directly to the beneficiary named (i.e. they do not go through your estate.)

Nobody likes to consider their own mortality, but unfortunately, it's one of the only sure facts of life. Give your loved ones the future they deserve, and leave a lasting legacy with your life insurance policy.