



Better Money Choices

Name	Steve	Mary
Month of Birth	Apr, 1984	Nov 1986
Expected Longevity	2073	2075
Prov. Of Residence	QC	

Your Better Money Choices Plan - Future Choices – 25-Apr-2019

Plan Summary

The current status of your plan is **“GREEN”**.

Plan status **GREEN** implies that your current set of choices can be successfully funded given the financial resources you currently and expect to have. Status has been determined by combining all your inputs with the realities of taxes and inflation and attempting to fund all the expenses you have described in your plan.

Key recommendations for plans with **GREEN** status:

- Ensure that you are being realistic about all your recurring incomes, lifestyle & operating costs, and future expenses.
- If you are staying in/owning a residence for a lengthy period ensure you have included costs like major repairs (new furnace & ac systems, a new roof etc.)
- Be aware of your personal contribution limits for registered accounts like RSP's and TFSA's. Remember your contribution limits are a function of the new room you may gain each year and past unused room. See the section on contribution limits for more details.
- For added certainty try stressing your plan by increasing your recurring costs by 5% or 10% for a period to ensure your plan still works.

It is always advisable that regardless of the status of your plan that you should consider working with a financial professional to further flush out your plan and identify potential challenges and opportunities.

Assumptions & Disclosures

Tax Rates

All tax calculations and recommendations relating to income taxes are based on the Canadian Federal Income Tax Act and the Provincial Tax Rates in effect at the time of report generation. The provincial rates applied reflect your stated province of residence. Where provincial rates include surtaxes, rates have been adjusted to reflect the blended marginal rate. The tax rates applied are assumed to be stable throughout the plan with personal allowances and bracket ranges adjusted for the inflation level set in the plan.

The 0% rate bracket has been used in place of the personal allowance.

Estate and probate taxes have not been reflected.

In some reports there may be a difference between taxes owed for a given year and taxes paid. The difference reflects timing and a result of some withdrawals generating additional taxes that must be paid in the following year.

Where open accounts include an existing untriggered capital gain, the gain will be triggered proportional to the account balance, and magnitude of withdrawal until the outstanding gain has been depleted. The taxable portion of the gain will be 50% of the total gain.

Federal Taxes		Provincial Taxes	
Rate Ends At	Rate	Rate End At	Rate
\$12,069	0.00 %	\$15,269	0.00 %
\$47,630	15.00 %	\$43,790	15.00 %
\$95,259	20.50 %	\$87,575	20.00 %
\$147,667	26.00 %	\$106,555	24.00 %
\$210,371	29.00 %	∞	25.75 %
∞	33.00 %		
2019 Rates, OAS Claw back starts as \$77,580		2019 Rates	

Balance Sheet

The nature of financial markets is such that account balances are constantly in flux. The base date for future planning purposes has been set at January next year. Closing balances for each year are projections based on all data available at the time this report was generated. As the order in which expenses, incomes, and investment returns will occur in the current year is not captured within the data set and it has been assumed that you have the capacity to fund your lifestyle in the current year.

Reported values are all reported in “future dollars”.

Income Splitting

By default, income splitting is set to “On” for couples. Income splitting will reduce the taxes you pay over time. The types of income which may be split include pensions, RIF & LIF withdrawals, and CPP (we assume that you have made or will make the application to split CPP).

Your plan has income splitting ON

Inflation

As specified by you the rate of inflation used for calculations was: 3.00 %

All reporting reflects “future dollars” for the given year of reporting. Where no option has been specified in the program the default rate of inflation has been applied to expenses, income and savings activities. Where a user has chosen not to “increase” and dollar value with the rate of inflation, figures have been treated as notional values for the given year.

Inflation has been applied to the dollar ranges for all tax rate brackets and credits, CPP, OAS, OAS claw back thresholds.

Investment Returns

Each “Savings” account will grow at the rate specified by the users for the duration of the plan. All growth is treated on a worst-case basis as interest and taxed accordingly on a year by year basis. Deposits are considered to occur and the end of each year and withdrawals at the beginning of the year.

Withdrawal Strategy

Better Money Choices applies a standardized withdrawal strategy for automated reports. The specific algorithm is:

1. Non-Registered / Open Funds
 - a. Lowest rate of return
 - b. Lowest balance
2. TFSA accounts
 - a. Lowest rate of return
 - b. Lowest balance
3. Registered Retirement accounts
 - a. Account minimum withdrawals
 - b. Locked in funds (LIRA/LIF rules based on province of residence.)
 - c. Lowest rate of return
 - d. Lowest balance

The standardized strategy may or may not represent your optimal course of action and has been chosen as its conservative nature dictates that plans which are successful under the standard schedule have an additional layer of robustness.

RESP Beneficiaries: Twin 2 3, Twin 1 3

Disclaimer

This report was prepared using Better Money Choices.

In preparing this plan, we have relied on the accuracy and completeness of the information that you have provided to us. If there are material inaccuracies or omissions in the information provided, this may affect our analysis and recommendations. Minor discrepancies should not affect our conclusions.

The financial projections contained in this plan are used to reach general conclusions as to the sufficiency of your resources to meet your lifestyle objectives. They are intended to be guidelines only. The future cannot be forecast with certainty and the degree of uncertainty normally increases with the length of the future period covered.

Actual results over time will vary from the projections made in this plan and the variations may be material and due to external factors beyond the scope and control of this financial plan. Therefore, in reading this plan you should focus on the general conclusions reached at this time, rather than on the underlying detail.

You are responsible for confirming that the answers you provided to determine your individual risk tolerance used in this financial plan are accurately represented.

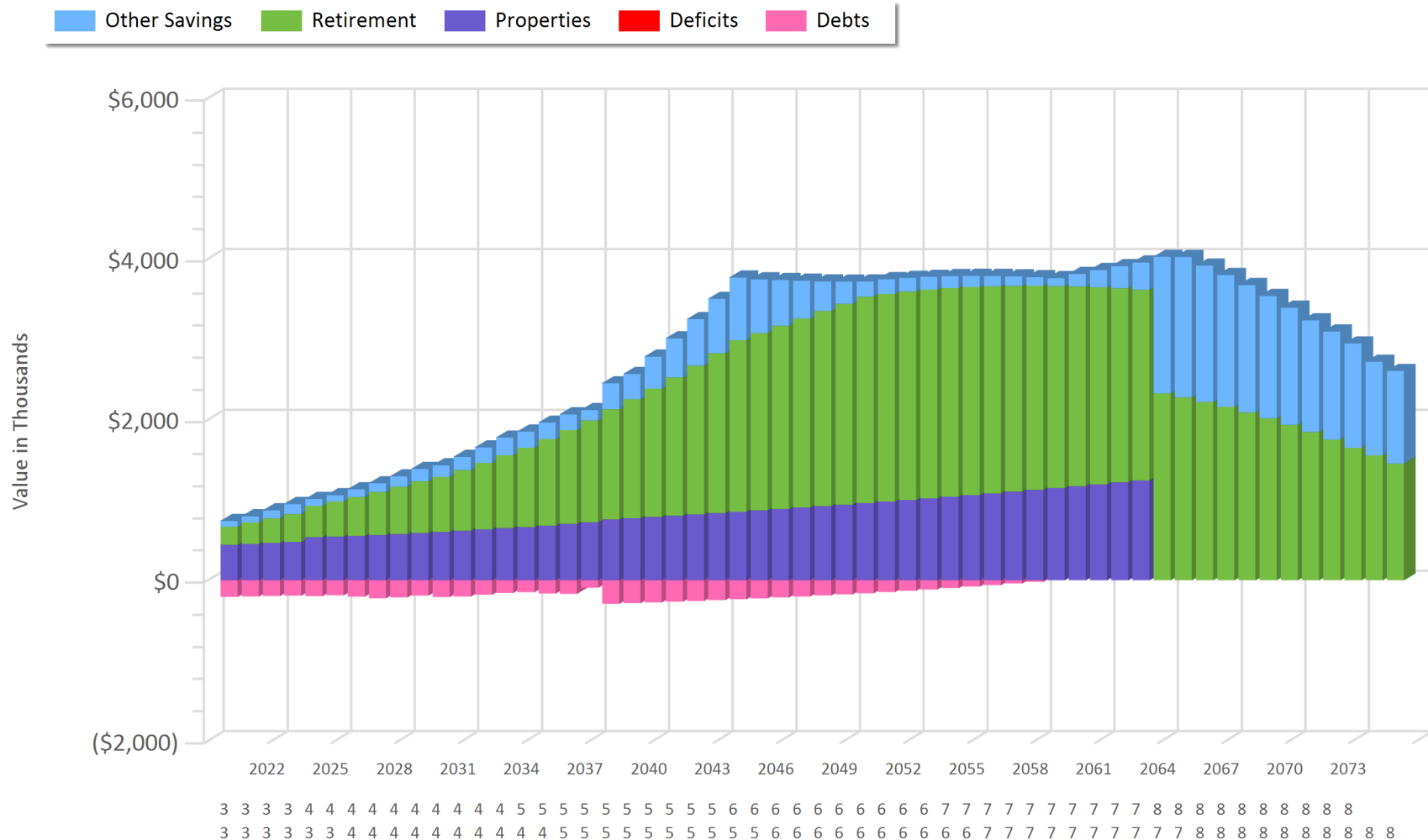
Investments Considered

The results contained herein do not constitute an actual offer to buy, sell or recommend a particular investment or product. The asset classes and return rates used in the plan are broad in nature. Past returns are not necessarily indicative of future performance.

The illustrations are not indicative of the future performance of actual investments, which will fluctuate over time.

Net Worth

Based on the detailed financial and cost information provided, you projected estate value (before taxes) is \$ 2,605,045. The values by account/asset type are as displayed in the table below. How balances change can be view on a year by year basis by logging in to Better Money Choices and examining the Net Worth report found on the choice assessment page.



Projected Balance Sheet Over Time

The following table provides details of how your balance sheet will perform over time. The table includes detailed projected account balances for the years ending first 5 years of the plan with 3 snapshots years until death. Greater emphasis has been placed on the near term as these estimates will have the highest degree of accuracy should your investment returns payout as predicted and you hold true to the drawdown strategy.

Year	2020	2021	2022	2023	2024	2041	2058	2075
Net Worth	\$504,956	\$569,553	\$646,675	\$730,954	\$796,530	\$2,728,681	\$3,732,059	\$2,605,045
Savings Accounts	\$296,379	\$343,822	\$403,145	\$471,142	\$475,607	\$2,206,532	\$2,647,063	\$2,605,045
Joint OPEN Savings	\$0	\$0	\$0	\$0	\$0	\$401,626	\$0	\$585,111
MARY GRSP	\$106,650	\$120,982	\$136,032	\$151,833	\$168,425	\$618,596	\$1,065,392	\$647,639
LIRA	\$22,050	\$23,152	\$24,310	\$25,526	\$26,802	\$61,430	\$85,446	\$46,584
MARY LIRA	\$11,025	\$11,576	\$12,155	\$12,763	\$13,401	\$30,715	\$47,942	\$29,143
STEVE LIRA 2	\$17,640	\$18,522	\$19,448	\$20,420	\$21,442	\$49,144	\$68,357	\$37,267
STEVE RSP	\$70,052	\$91,055	\$113,108	\$136,263	\$160,576	\$960,736	\$1,271,572	\$693,246
Tim RESP	\$12,240	\$15,852	\$19,645	\$23,627	\$27,808	\$0	\$0	\$0
Suzie RESP	\$12,240	\$15,852	\$19,645	\$23,627	\$27,808	\$0	\$0	\$0
MARY TFSA	\$44,482	\$41,331	\$47,527	\$54,863	\$514	\$29,443	\$108,354	\$346,252
Steve TFSA	\$0	\$5,500	\$11,275	\$22,220	\$28,831	\$54,842	\$0	\$219,803
Surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Assets	\$415,779	\$427,495	\$439,693	\$450,204	\$517,443	\$788,450	\$1,104,020	\$0
Next House	\$0	\$0	\$0	\$0	\$0	\$788,450	\$1,104,020	\$0
Principal Residence	\$412,000	\$424,360	\$437,091	\$450,204	\$463,710	\$0	\$0	\$0
Retirement Home	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mary's Car	\$1,830	\$1,518	\$1,260	\$0	\$0	\$0	\$0	\$0
Mary's Next Car	\$0	\$0	\$0	\$0	\$17,911	\$0	\$0	\$0
Steve Car	\$1,949	\$1,617	\$1,342	\$0	\$0	\$0	\$0	\$0
Steve's Next Car	\$0	\$0	\$0	\$0	\$35,822	\$0	\$0	\$0
Debts	(\$207,202)	(\$201,764)	(\$196,163)	(\$190,392)	(\$196,520)	(\$266,301)	(\$19,024)	\$0
Deficit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line of Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mortgage	(\$207,202)	(\$201,764)	(\$196,163)	(\$190,392)	(\$184,446)	\$0	\$0	\$0
New House Mortgage	\$0	\$0	\$0	\$0	\$0	(\$266,301)	(\$19,024)	\$0
Steve Car Loan	\$0	\$0	\$0	\$0	(\$12,074)	\$0	\$0	\$0

****Values are all year end***

Debts

Whether debt is part of your current plan or not, it can be a key element of any financial plan. Debt can be used for longer term financing of expenses (mortgages, car loans, purchase financing, or other), to cover short term deficits, or as a strategic tool for reducing taxes in retirement.

As a Reminder:

- Debts can be paid down early or more quickly using the extra payments function when editing a debt under future choices.
- Debts secured by assets will automatically be repaid in full when the asset is sold.
- Refinancing a debt can be accomplished by paying a lump sum in a given year and taking out new debt. Adding incremental debt to your future plans should be approached with a degree of care.

Adding incremental debt to your future plans should be approached with a degree of care.

Last Updated Value Balance Sheet

Registered Accounts	\$169,000	
resp	\$12,000	
Tim RESP	\$6,000	05-Sep-2018
Suzie RESP	\$6,000	05-Sep-2018
reg-rsp	\$31,000	
STEVE RSP	\$31,000	05-Sep-2018
reg-lira	\$46,000	
LIRA	\$20,000	06-Sep-2018
MARY LIRA	\$10,000	05-Sep-2018
STEVE LIRA 2	\$16,000	05-Sep-2018
reg-grsp	\$80,000	
MARY GRSP	\$80,000	06-Sep-2018

Open and TFSA	\$154,500	
tfsa	\$110,000	
MARY TFSA	\$55,000	05-Sep-2018
Steve TFSA	\$55,000	05-Sep-2018
open	\$44,500	
Joint OPEN Savings	\$44,500	05-Sep-2018

Investment Account Activity & Cash Sources

Detailed cash flows for the first 5 years of your plan with 3 snapshot years until death are in the tables below. Since life rarely unfolds exactly as envisioned, and because forecasts are always more accurate in the near term, you should focus more on the first 5 years.

Year	2020	2021	2022	2023	2024	2041	2058	2075
Total	(\$90,381)	\$39,081	\$48,329	\$54,041	(\$7,097)	\$143,641	(\$135,095)	(\$216,433)
Savings Accounts	(\$102,081)	\$27,381	\$36,629	\$42,341	(\$21,874)	\$120,642	(\$158,094)	(\$216,433)
Joint OPEN Savings	(\$44,945)	\$0	\$0	\$0	\$0	\$65,565	\$0	(\$50,971)
MARY GRSP	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	(\$57,919)	(\$76,156)
LIRA	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,891)	(\$5,478)
MARY LIRA	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,606)	(\$3,427)
STEVE LIRA 2	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,913)	(\$4,382)
STEVE RSP	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$34,538	(\$72,792)	(\$81,519)
Tim RESP	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$0	\$0	\$0
Suzie RESP	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$0	\$0	\$0
MARY TFSA	(\$20,886)	(\$5,119)	\$4,129	\$4,960	(\$54,374)	\$5,500	(\$15,973)	\$5,500
Steve TFSA	(\$63,250)	\$5,500	\$5,500	\$10,381	\$5,500	\$10,539	\$0	\$0
Surplus / Deficit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debts	\$11,700	\$11,700	\$11,700	\$11,700	\$14,777	\$22,999	\$22,999	\$0
Line of Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mortgage	\$11,700	\$11,700	\$11,700	\$11,700	\$11,700	\$0	\$0	\$0
Next House	\$0	\$0	\$0	\$0	\$0	\$22,999	\$22,999	\$0
Steve Car Loan	\$0	\$0	\$0	\$0	\$3,077	\$0	\$0	\$0

Additional funding for your described lifestyle and taxes will come from your recurring income streams as outlined in the following table.

Cash Sources - Excluding Savings

Year	2020	2021	2022	2023	2024	2041	2058	2075
Total	\$96,820	\$166,827	\$202,886	\$210,765	\$182,296	\$355,763	\$105,779	\$106,995
Steve	\$96,820	\$84,872	\$102,716	\$106,260	\$92,742	\$180,114	\$51,306	\$0
Employment	\$96,820	\$84,872	\$102,716	\$105,798	\$92,742	\$180,114	\$0	\$0
CPP	\$0	\$0	\$0	\$0	\$0	\$0	\$28,503	\$0
OAS	\$0	\$0	\$0	\$0	\$0	\$0	\$22,803	\$0
Pension	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Taxable Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Joint Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income From Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds of Sales	\$0	\$0	\$0	\$462	\$0	\$0	\$0	\$0
Mary	\$0	\$81,955	\$100,170	\$104,505	\$89,554	\$175,649	\$54,473	\$106,995
Employment	\$0	\$81,955	\$100,170	\$103,175	\$89,554	\$175,649	\$0	\$0
CPP	\$0	\$0	\$0	\$0	\$0	\$0	\$31,670	\$69,306
OAS	\$0	\$0	\$0	\$0	\$0	\$0	\$22,803	\$37,689
Pension	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Taxable Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Joint Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income From Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds of Sales	\$0	\$0	\$0	\$1,330	\$0	\$0	\$0	\$0

Taxes

Taxes will have a significant impact on your life, they are an inescapable reality. Managing savings and withdrawal activity strategically can often significantly reduce taxes paid over the balance of your life or in your estate depending on your individual goals. Based on your current plans and the automated draw down algorithm (potentially enhanced if you by an advisor if you are working with one) your future pro forma tax returns can be found in the below table.

Note that a variation from expected taxes can have many causes including but not limited to the mix of the type of returns your non-registered investments earn, the precise timing and amount of capital gains triggered, fluctuation in RIF minimums, and incomes differing from the expected.

Mary Taxes	2020	2021	2022	2023	2024	2041	2058	2075
RIF, Pension, Employment, Other Income	\$0	\$81,955	\$100,170	\$103,175	\$89,554	\$175,649	\$60,526	\$170,961
CPP	\$0	\$0	\$0	\$0	\$0	\$0	\$31,670	\$69,306
OAS	\$0	\$0	\$0	\$0	\$0	\$0	\$22,803	\$37,689
Taxable Interest	\$0	\$0	\$0	\$0	\$0	\$1,664	\$0	\$5,793
Taxable Capital Gains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grossed Up Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retirement Account Contributions	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$0	\$0
Donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Split Income	\$0	\$0	\$0	\$0	\$0	\$0	\$8,952	\$0
OAS Clawback	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxable	(\$4,500)	\$77,455	\$95,670	\$98,675	\$85,054	\$172,813	\$123,951	\$283,750
Dividend Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Payable	\$0	\$21,917	\$29,010	\$29,940	\$24,118	\$53,117	\$24,198	\$68,279
Marginal Fed/Prov Tax Rate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Steve Taxes	2020	2021	2022	2023	2024	2041	2058	2075
RIF, Pension, Employment, Other Income	\$96,820	\$84,872	\$102,716	\$105,798	\$92,742	\$180,114	\$81,597	\$0
CPP	\$0	\$0	\$0	\$0	\$0	\$0	\$28,503	\$0
OAS	\$0	\$0	\$0	\$0	\$0	\$0	\$22,803	\$0
Taxable Interest	\$0	\$0	\$0	\$0	\$0	\$1,664	\$0	\$0
Taxable Capital Gains	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grossed Up Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retirement Account Contributions	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$34,538	\$0	\$0
Donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Split Income	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,952)	\$0
OAS Clawback	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Deductions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Taxable	\$79,320	\$67,372	\$85,216	\$88,298	\$75,242	\$147,240	\$123,951	\$0
Dividend Tax Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Payable	\$22,947	\$17,833	\$24,777	\$25,733	\$20,144	\$42,560	\$24,198	\$0
Marginal Fed/Prov Tax Rate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Expenses

While the approach to determining expenses often starts with a rule of thumb or best guess around an estimated spending level, this value should only ever be used as a starting point. Within your Better Money Choices plan you have defined how you expect many aspects of your life to unfold and the associated financial implications. If you have expanded your plan beyond a rule of thumb or single estimation, then over the long term there will likely be variation in your demand for cash and its uses.

Recognizing that how much money you will spend will vary can have a significant effect on how much you truly need to save for the future and how “successful” your retirement will be.

The following table summarizes where your expenses for the near future with a glimpse at segments further out.

Year	2020	2021	2022	2023	2024	2041	2058	2075
Fixed Assets Operating Costs	\$21,186	\$21,822	\$22,477	\$20,409	\$22,496	\$30,788	\$50,888	\$125,631
Debt Repayment	\$11,700	\$11,700	\$11,700	\$11,700	\$14,777	\$22,999	\$22,999	\$0
Basic Lifestyle Costs	\$51,140	\$52,674	\$54,254	\$55,882	\$57,558	\$62,944	\$78,251	\$129,337
Activities	\$91,928	\$13,500	\$13,113	\$13,506	\$14,752	\$22,993	\$63,341	\$0
Education	\$0	\$0	\$10,927	\$11,255	\$11,593	\$0	\$0	\$0
Fixed Asset Purchases	\$0	\$0	\$0	\$0	\$53,732	\$0	\$0	\$0
Total	\$175,954	\$99,696	\$112,471	\$112,752	\$174,908	\$139,724	\$215,479	\$254,968

For a more detailed view of your uses of cash refer to your Better Money Choices account.

Note: Fixed Asset Operating Costs & Purchases can be found in the Life Today and Future Choices properties screen.

Other Considerations

Income Splitting

If income splitting applies to your personal situation, it may have a significant influence on your plans over the long term. Income splitting can save thousands of tax dollars by lowering the marginal tax rate of one partner and raising it for the other. It can also reduce or eliminate the claw-back on Old Age Security payments or the age credit for the higher-income spouse.

If in your current plan you and your partner are both living to a similar year, an element of additional stress testing of your plan may be achieved by increasing the difference in year of death between you and your partner.

LIRA/LIF unlocking

Generally speaking the only way to get money out of your locked in accounts is to retire. In most cases, the earliest age you can access pension money is age 55 (Some situations allow for access to funds before the age of 55). When you need income, you have two or three options depending on the province you live in. You can Transfer to Life Income Fund (LIF), a Life Annuity and where applicable a Life Retirement Income Fund (LRIF).

Pension rules are complicated and confusing because every province has its own set of laws. Depending on the jurisdiction of your LIRA you may be eligible to unlock some or all of your LIRA through a transfer to an RSP or RIF. Unlocking is an opportunity not to be missed as it can greatly reduced restrictions on your future withdrawals.

Pension legislation is confusing because the rules are not uniform across the country. The rules apply based on the origin of the pension plan and not necessarily where you or the funds reside. If in doubt, seek help from a qualified professional.