

Your Financial Update from Paul Polyviou

Spring 2016



Happy Spring to you....thankfully spring has finally sprung; and summer will be here before we know it. I thought with this issue I would discuss a topic that I as a Financial Planner find particularly important. One of my main objectives is Retirement Planning and ensuring my clients are saving enough during their working years to last them the rest of their lives. But as life expectancies increase, making sure my clients do not outlive their money is becoming more and more important. The average life expectancy in Canada is 80 years for men and 84 for women, with an increasing number of Canadians hitting the 100 year mark. In 2001, statistics Canada recorded 3,795 centenarians; in the most recent census in 2011, the number was 5,825. By 2061, they estimate the number of centenarians may reach 78,300.

In this environment of increased longevity, helping my clients maintain their quality of life in later years has become an increasingly important part of my financial planning process. Reevaluating retirement is now something I find my clients thinking about. This means that traditional notions of retiring at 65 with a pension and dying of natural causes not long thereafter are no longer valid. Clients are asking themselves what they can do to remain active, whether it be volunteering, working for a non-profit organization or using their experience to start a consulting practice. Some clients will work into their golden years out of interest or to stay active, while others may do so out of financial need. My role is to help ensure that my clients who work beyond their retirement age are doing so out of choice not necessity.

I ask that my clients think about these 3 questions when thinking about retirement: 1. Who will change my light bulbs? (Housing needs) 2. How will I get an ice cream cone? (Transportation needs) 3. Who will I have lunch with? (Social needs)

For many clients, RRSP's and RRIF's, even when combined with government and private pensions, may be inadequate to take them through a long retirement. When making financial plans, think in terms of maximum possible life span, rather than life expectancy (which are based on averages). 50% of people outlive their life expectancy so let's talk about yours and how we can make sure you outlive your money and not the other way around!

As always, please do not hesitate to contact me or one of my assistants should you have any questions or concerns.

Kind Regards,

Paul Polyviou

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P.S. I wanted to provide a brief update with respect to the CAD/USD as this had helped portfolio returns last year but is now hurting them in the short term. I feel the current Canadian dollar appreciation is temporary in an otherwise still declining trend, similar to the second quarter of 2014 and second quarter of 2015. At some point, however, the Canadian dollar's weakness will run out of steam, and that would be the start of a multi-year rally like we saw in 2002-2007 and again in 2009-2011, but I do not believe we are there yet.

Turn over for some valuable information.....

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Manulife Securities Incorporated

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Avoid Missing Medical Expenses On Your Tax Return

Many taxpayers miss the full range of medical expenses they can claim, expenses that can reduce your tax bill significantly. But CRA often challenges such claims, so proper documentation is essential. I thought that with tax season behind us maybe we can start keeping documentation so that we are prepared for our 2016 tax return and going forward. Among claims often missed are:

- Claims for elderly or disabled children or dependants. Such as renovations to improve accessibility or for children with a mental disability; it can include tutoring or a private school that specializes in helping struggling students. Your child must require this special tutoring or schooling due to a mental or physical impairment.
- Wigs due to disease such as cancer can be claimed if accompanied by a doctor's prescription.
- If you live outside an urban centre you may be able to claim mileage, meals, overnight stays.
- Vision care expenses not covered by your employee medical plan are claimable.
- Orthodontic treatments should be claimed as long as a medical professional prescribes them and they are not covered by your employee medical plan



One thing to note is that the medical tax credit is non-refundable. However if your medical expenses are more than 3% of your annual net income, the amount of taxes payable can be reduced significantly. Ask your tax professional for a full list of claimable medical expenses and discuss with him or her any that could potentially benefit you.

USE EM OR LOSE EM: Air Miles Puts An Expiry Date On Reward Miles!



One of Canada's most popular loyalty programs has a message for Air Miles collectors: Use 'Em or Lose 'Em.

Participants in the Air Miles reward program will be required to use their existing miles before Dec. 31, 2016. In addition, reward miles earned after New Year's Eve will only be valid for five years after they're first posted. Until now, the miles — redeemable for eligible merchandise, including electronic goods, plane tickets and vacation packages — never carried an expiration date.

The changes come on the heels of a new instant-redemption feature called Air Miles Cash. The program allows collectors to instantly cash in their miles at participating retailers, using them towards purchases for items such as gas and groceries. Under the new program, 95 reward miles will earn collectors \$10 off while cashing out their purchases.

Tips To Get Your Garden Ready For Summer

1. Late spring is a good time to prune or deadhead some of the early shrubs once they have finished flowering.
2. Weed your beds — now is when the seedlings of invasive or weedy plants are just getting established.
3. Consider adding hummingbird and butterfly feeders to attract these colourful species to your garden.
4. Ensure that water features (birdbaths, etc.) are kept clean and emptied every few days to eliminate breeding sites for mosquitoes.
5. Trim branches and shape shade trees to allow them to heal over the season.

High Interest Savings and GIC Corner

Sometimes our clients ask if we offer GIC's or Savings Accounts and the answer is **YES WE DO!** Here are some rates to consider.

Savings Account	1.00%
Cashable GIC	1.41%
1 yr GIC	1.90%
2 yr GIC	2.20%
3 yr GIC	2.32%
4 yr GIC	2.35%
5 yr GIC	2.45%

*Rates are subject to change without notice and are effective as of June 1st 2016**