

Solutions

FOR FINANCIAL PLANNING

ONE OF A KIND

Creating a financial plan
that's *you-nique*.

MK2819E 09/18

FALL 2018

An aerial photograph of a large, green park. Numerous people are scattered across the grassy area, some sitting in small groups, others alone, all appearing to be relaxing or sunbathing. The scene is filled with the vibrant green of the grass and the varied colors of the people's clothing.

What makes you, you?

We are all different – our own unique blend of what we're made of and the particular circumstances that shape us. We each live, work and play in our own way. Our individuality is influenced by our genetics, beliefs, perceptions and experiences. This means how we think, view the world and interact with others truly varies from person to person.

No matter what you do, from how you express yourself to how you run your daily life, there is someone else who does it in a completely different way. Or perhaps even just a slightly different way. (And we all know that sometimes the "slightly different way" makes all the difference.)

So why choose a one-size-fits-all solution for your finances?

After all, whether you're just starting out, approaching retirement, taking time off work or starting a business, you need a financial plan that specifically fits you.

An advisor gets that – he or she is an expert at creating financial strategies that stem from who you are and what you want to accomplish. Speak to your advisor to create a financial plan as individual as you.



UNIQUE CIRCUMSTANCES

AT MANULIFE, WE'RE DELIVERING A BEST-IN-CLASS experience for our customers, regardless of how they interact with us. No two customers are the same, and the experience you have with us should reflect your individual preferences.

Much of what you'll read in the pages that follow speaks to the unique situations we find ourselves in, and the different considerations we each take into account when planning our finances. On page 8, we provide handy tips to help budget for our furry friends; there are some good nuggets of advice on page 16 for our recent grads who are starting out in their careers; and on page 28, you'll find strategies to help small business owners minimize the impact of the rising minimum wage across the country.

In our feature article on page 22, we take a closer look at the gender differences in investing. Women

often face different financial challenges than men: they tend to live longer (by roughly four years)¹ and therefore need to fund a longer retirement, and their savings may be lower if they've had a shorter working life and lower earnings. However, recent studies suggest women now have a slight edge over men when it comes to investing.² Read the feature to find out why.

Regardless of your situation, the personalized guidance an advisor provides can help you make sense of the different factors you need to consider, and in turn, help you make sound decisions that work for you and your family.

Until next time,

A handwritten signature in black ink that reads "Mike Doughty". The signature is fluid and cursive, with a distinct "M" and "D".

Mike Doughty

President & CEO
Manulife Canada

¹ Statistics Canada, "Archived: Life expectancy at birth, by sex, by province," CANSIM table 102-0512, catalogue no. 84-537-XIE, last updated May 31, 2012, www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/health26-eng.htm (accessed April 30, 2018).

² faculty.haas.berkeley.edu/odean/papers/gender/boyswillbeboys.pdf; www.fidelity.com/about-fidelity/individual-investing/better-investor-men-or-women



FEATURE

22 | Women and the financial frontier

Addressing the financial challenges facing women, with tips men can use too.

FINANCIAL MATTERS



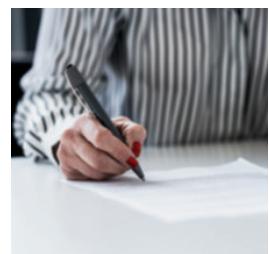
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FALL 2018

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Matters of fact

Canadians love their pets. In fact, a recent survey found that more than one-third of Canadian households own either a cat or a dog.¹ But for some, a common household pet doesn't cut it. Here are some unusual pets that are permitted (surprisingly) in certain jurisdictions.²



Capybaras

Originating from South America, capybaras are the largest rodents in the world. They are very lovable, require lots of attention and enjoy spending time swimming and grazing. However, beware of their large teeth if a capybara gets aggressive!



Sugar gliders

Sugar gliders get their name from their ability to glide through the air using a membrane attached to their wrists and ankles. These mini marsupials are quite intelligent and trainable. They are a very social pet and must live with other sugar gliders or else they can suffer from depression.



Wallabies

Smaller than a kangaroo, wallabies are somewhat trainable, although not to the extent of a dog. Young wallabies need a playpen for them to feel comfortable. This also serves as a safe place for them to play around when growing up.



Pygmy goats

Surprisingly, pygmy goats are a popular pet choice in urban areas despite being rather noisy and messy. A decent-sized backyard is a minimum requirement, since pygmy goats like to frolic in open spaces.



Fennec foxes

These domesticated foxes have the energy of a dog combined with the personality and independence of a cat. Fennec foxes need lots of playtime, and lots of food to maintain their energy. While they are friendly, their loud bark makes them less than ideal for those with close neighbours.



Muntjac deer

The muntjac deer is another pet gaining popularity in Canada. Originally from South Asia, this mini-deer barks and learns its name just like a dog. They are equally happy indoors and outdoors.³

¹ www.gfk.com/insights/press-release/61-of-canadians-own-a-pet-gfk-survey

² www.cbc.ca/doczone/features/exotic-pets-laws-in-canada

³ www.narcity.com/ca/on/toronto/lifestyle/11-odd-animals-you-can-legally-own-as-pets-in-canada



Wellness trends for pets

Of course there are the standard ways to look after your pets, like giving them lots of exercise and scheduling regular vet visits, but twenty-first-century owners are taking care of their pets in new and unique ways. For example, following the trend to buy more health-conscious and eco-friendly products for ourselves, humans are now buying all-natural products for their furry or feathered friends too. All sorts of pet care items like cat litter, tick and flea repellent, toys and grooming products can be found in all-natural varieties.

Owners are also putting significant thought into the food their pets are eating. From specific regimes like raw-food diets and grain-free food, to simply ensuring that their pets get all the proper vitamins and nutrients they need to be strong and healthy, owners are willing to spend big bucks to get the best-quality food for their furry friends.

Luxury services like pet spas, behavioural consulting, agility training, self-serve dog washes and mobile pet grooming are becoming readily available everywhere. As owners are spending more than ever before on pet care, it only makes sense that there is an ever-growing number of options when it comes to pampering their pets.⁴

A difference of opinion

Not all cultures feel the same way about animals and pets. How various creatures are regarded in western societies might differ greatly from how they are viewed in other countries. For example, in India, cows are considered wise and gentle animals. They are even protected by law, and Hindus do not eat beef. Yet in North America, cows are valued almost exclusively for consumption (beef and dairy products), and Argentina is known worldwide for its quality beef production.⁵

On a similar note, western cultures look at monkeys, owls and dogs in a completely different light than do Asian cultures. In China, monkeys are thought of as very wise and noble creatures, whereas in western cultures they are perceived as sneaky and mischievous. The owl, an animal seen as intelligent in western cultures, is considered dopey in India. Owning a dog is common in North America, whereas Islamic cultures consider dogs to be unhygienic, and in China, they are very expensive and seen as status symbols.⁶

⁴ www.thebalance.com/hot-industry-trends-in-pet-businesses-2660622

⁵ www.oh-i-see.com/blog/2014/03/13/same-animal-different-cultures-surprise

⁶ lastchanceranchsanctuary.org/animals-across-cultures



Life with pets

**Be aware of the costs
but thoroughly enjoy
the benefits.**

ANYONE WHO HAS A PET IS AWARE THAT THEY AREN'T FREE – from toys to food to vet expenses, the costs can add up. But for those who enjoy animal companionship, the costs are far outweighed by the pleasure of having pets in their lives. As well as company, pet ownership offers potential health benefits. It has been proven that lovable creatures can help alleviate certain medical and mental health conditions.¹ From the responsibility and reality of caring for an animal to the potential health and psychological benefits, here's a look at what it means to own a pet.

Thinking about a new beastly friend?

Pet owners know that a pet is a significant responsibility and not a decision to be made on a whim. Before taking the plunge, consider how a pet will fit into your lifestyle: do you have the time and energy to devote to feeding, care and daily walks? Consider whether your home is suited to the type of animal you want to adopt. Are there children in the house? If you are considering an uncommon pet (such as a potbelly pig or mini horse), does your jurisdiction allow it? Do your homework on the breed, temperament and life expectancy of the animal. And, of course, a big consideration is whether you can afford to pay for pet food, grooming, equipment and visits to the vet.

Expect expenses

Depending on the type of animal you wish to own, the costs can vary. For example, in the first 12 months a puppy could cost approximately \$2,600 and a kitten \$1,900.² Are you more of a fish, bird or reptile lover? Expect to pay anywhere from \$85 to nearly \$1,000, including a tank or cage and equipment.³ Be prepared to budget accordingly each subsequent year to cover the costs of food, supplies and any sudden medical expenses. Setting up an emergency fund for unexpected health care costs can be beneficial.

If you travel, tack on pet-sitting or kennel services, and if you rent an apartment, you may have to pay a non-refundable pet deposit. Don't forget, pets can sometimes cause damage. Be sure to factor in potential costs for cleaning soiled carpets or repairing clawed furniture.

¹ www.health.harvard.edu/staying-healthy/the-health-benefits-and-risks-of-pet-ownership

² www.ratesupermarket.ca/blog/the-cost-of-owning-a-pet-in-canada

³ www.petplace.com/article/fish/general/what-it-costs-to-own-fish; www.petplace.com/article/birds/general/what-it-costs-to-own-a-bird; www.petplace.com/article/reptiles/general/what-it-costs-to-own-a-reptile

Benefits aplenty

Despite the costs, there are many advantages to owning a pet. First and foremost, pets provide companionship. On an emotional level, a pet can decrease depression, stress and anxiety.⁴ Taking care of an animal can also provide a sense of purpose and validation – think of that feeling you get from your dog's exuberant greeting when you come home, or your cat's purring while you scratch her ears. Pets have also been proven to help lower blood pressure, improve immunity and even decrease the risk of heart attack and stroke.⁵ Naturally some physical benefits of owning a pet come from the activity necessary to take care of it, which can lead to even more perks. Getting out with an animal may broaden your social scene – after all, a pet is a great icebreaker for meeting like-minded individuals.

For those with special needs or patients in long-term care facilities, animals trained in assisted therapy can be invaluable. Researchers have evaluated the effectiveness of pet

therapy in a number of settings and have found a wide range of advantages from helping first responders deal with post-traumatic stress disorder, to being a calming influence for patients during hospitalization.⁶

Animals can present some unique benefits to children as well, such as dramatically improving immunity and preventing allergies.⁷ Pets can also help children develop emotionally by helping them learn to express themselves better and relate better to others. They even provide benefits to children with autism and attention-deficit hyperactivity disorder (ADHD) by providing soothing experiences and encouraging predictable routines.⁸

In the right circumstances, a pet can add a lot of joy to your life. But don't make the decision based on those adorable eyes and sweet cuddles alone. Ensure you are committed to the lifestyle changes and financially prepared to manage all the costs. An advisor can help you prepare a budget and keep you on track. ■

IS PET INSURANCE RIGHT FOR YOU?

Roughly one to two per cent of Canadian pet owners have pet insurance, but it is becoming more popular. Monthly premiums can range from \$20 to \$185 and may cover treatments such as dental care, physiotherapy, chiropractic care and therapeutic supplements. However, most plans won't include routine checkups, vaccinations or pre-existing health conditions. Carefully review what's covered and whether there are any limitations.

Sources: www.theglobeandmail.com/globe-investor/personal-finance/household-finances/is-pet-insurance-worth-it-when-costly-vet-bills-arise/article533994; www.canadianliving.com/life-and-relationships/pets/article/should-you-get-pet-insurance

RUH-ROH!

Below are some common costs you could expect to incur in the first year of owning a dog or cat (note, this list is not exhaustive).

VET EXAMS AND VACCINES

\$290

SPAYING OR NEUTERING

\$166–\$255

HEARTWORM AND FLEA PREVENTION

\$43

PET FOOD

\$463–\$529

BOWLS

\$13–\$24

PET BED

\$38–\$78

LITTER AND LITTERBOX

\$108

TOYS

\$86–\$90

GROOMING

\$23–\$41

PET LICENCE

\$13–\$29

OBEDIENCE CLASSES

\$171

Source: www.ratesupermarket.ca/blog/the-cost-of-owning-a-pet-in-canada



⁴ www.health.harvard.edu/staying-healthy/the-health-benefits-and-risks-of-pet-ownership

⁵ Ibid.

⁶ www.themondaylife.org/pet-therapy; www.uclahealth.org/pac/animal-assisted-therapy; www.ncbi.nlm.nih.gov/pmc/articles/PMC5447915

⁷ www.animalplanet.com/pets/benefits-of-pets

⁸ www.womansday.com/life/pet-care/a2352/10-health-benefits-of-owning-a-pet-116238

You're on the fast track to success.

Will your insurance keep pace?



You're a new graduate.

You work hard for your paycheque.

But if you run into a hurdle, will your financial plans keep stride?

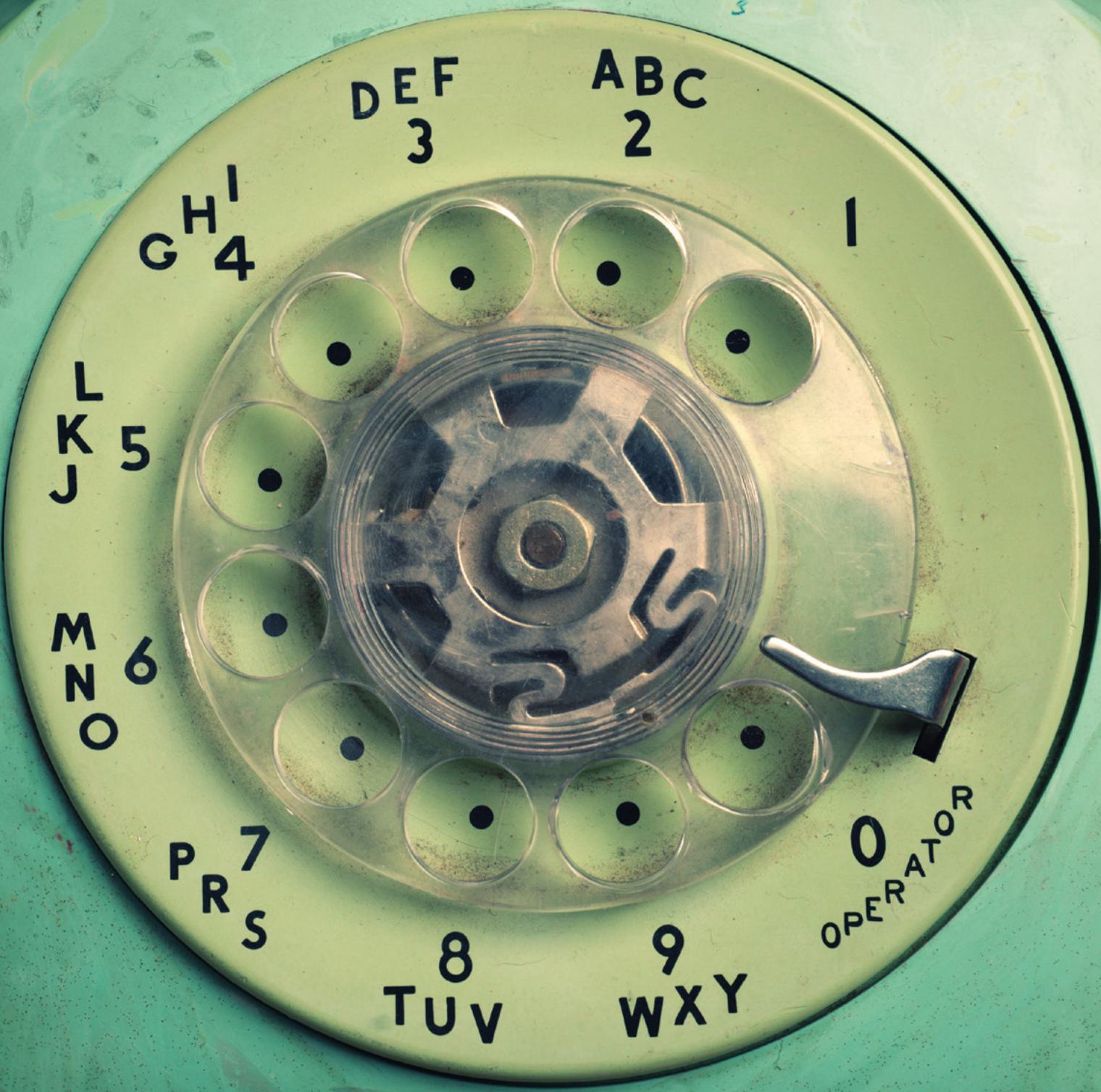
Protect your hard-earned income with a budget-friendly solution –

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Back to basics

**Focus on the fundamentals
for an investment strategy
that's right for you.**

INVEST YOUR MONEY. THREE SHORT, SIMPLE WORDS. Or are they?

With such a large array of investment choices, from stocks and bonds to closed-end funds and exchange-traded funds, it can be difficult to decide where to put your money. To further complicate matters, there's always something new being hyped in the marketplace. Current buzz is focused on cryptocurrencies and emerging technologies like artificial intelligence and self-driving vehicles. You might be eager to invest early and capitalize on potential growth, but are these sound opportunities?

Moreover, it seems as if everyone has advice for you. Unfortunately, platitudes like "buy low and sell high" aren't very helpful, and those stock tips from your friend's brother, or your uncle's golf buddy, rarely pan out. So how can you cut through all the noise and figure out what's right for you?

Consider these three words instead: back to basics. The best investment strategy is one that's focused on the long term, on tried and true strategies that have stood the test of time.

Define your goals

First and foremost, think about why you are investing. Whether it's for your retirement, education savings for your kids or a dream vacation, figure out how much money you'll need and how long you have to get there.

Weigh the risks versus the rewards

Higher risk can equal higher potential reward, but the amount of risk in your investment portfolio should correspond to the time horizon of the investment. For example, if you're investing for retirement 30 years in the future, your portfolio can tolerate greater risk because it has more time to ride out any market downturns. It's also important to consider your personal comfort with risk – how well you can handle a loss in the value of your investments if there is a market downturn. Make sure you are invested appropriately for both your risk tolerance and your time horizon.

Invest early and often

The sooner you start, the more time your investments have to grow, even if you can only afford a modest amount. Someone who starts in their 40s will have to invest a lot more than someone who began investing in their 20s in order to reach the same value.¹ Give compounding returns as much time as possible to work their magic.

Pay yourself first

A relatively painless way to save is through a pre-authorized deposit. Set one up on your payday or through your company's payroll, if available, so that money is deposited into your investments before you have a chance to spend it. You'll be surprised at how fast your savings will accumulate without you even noticing. It's also a good idea to set up a separate emergency fund in an easily accessible account, such as a high-interest savings account. If the need arises, you'll have access to money without having to dip into your investments.

Diversify

Don't put all your eggs in one basket. It's important to spread your investments across asset classes (stocks, bonds, etc.), industries and geographical locations. If you put all your money in one stock and its value plummets, you significantly reduce your investment. The same would hold true if you were to invest in one industry. For example, if you invest only in energy

and the price of oil declines, so may the value of your investment. Diversification helps to balance individual investment risks across an entire portfolio, lowering your overall risk.

Have a plan and stick to it

Regardless of new investment opportunities that promise high returns, it's important to have a plan and stick with it. Markets may fluctuate, but a well-thought-out investment plan is designed to ride out those fluctuations.

And if you still want to invest in the latest and greatest growth opportunity, consider setting up a "core and explore" portfolio. This means the bulk of your portfolio (the "core") is designed to meet your goals and overall risk tolerance, while a small portion of your portfolio can be used to explore riskier, more speculative investments.

The best course of action? Speak with your advisor. He or she can help you cut through the market noise to determine the best investment strategy to help you meet your goals. ■

APPROACH WITH CAUTION



New, trendy investment opportunities can seem exciting. However, there are some risks to consider before putting your money into the next big thing.

Lack of regulation. Traditional investments are highly regulated to help protect investors, but new investments like cryptocurrency may still raise investor protection concerns.

Inflated share prices. Some new investments are highly speculative, with prices based on expectations of future success rather than current performance.

Dilution. If a company expands rapidly, it can raise money by issuing additional shares. This lowers the value of existing shareholders' investment, along with their percentage of ownership.

¹www.theglobeandmail.com/globe-investor/personal-finance/taxes/stark-comparisons-show-the-importance-of-starting-early-in-building-wealth/article16459735



You've been asked to be an executor...now what?

What to consider when someone invites you to take on this important responsibility.

BEING ASKED TO BE AN EXECUTOR¹

is an honour. It means that someone trusts you to manage, with diplomacy and grace, a wide range of important tasks after their death. It's also a big responsibility. An executor quite literally executes the terms of a will, and there's a lot more to that than simply ensuring beneficiaries receive their bequests. Here are some things to consider when someone pops the executor question – and always keep in mind that help is available if you need it.

What will you have to do?

At a high level, an executor must notify those who need to know about the death (including government agencies and financial institutions), as well as manage and distribute the assets in the estate. An executor must also ensure that any amounts owed in taxes or to creditors are paid and keep very careful records throughout. (We've listed the key responsibilities in the included worksheet.)

It can be a complex and time-consuming job, so, when you take on the role, it's important to think about how you will manage the

required tasks over and above your own busy schedule. Look at family dynamics to see if you can anticipate tensions and prepare to nip them in the bud. In addition, location matters: if you live outside the deceased's province of residence, additional steps and costs may be needed to carry out your duties as an executor.

Seek help if you need it

Sometimes, wills appoint co-executors so more than one person can share the workload. If you're concerned about the time commitment, you may want to ask for this. You can also request assistance at any time from a professional executor, accountant, advisor or lawyer. And don't forget that you are generally entitled to compensation for the work you put in – typically a percentage of the estate assets, up to a maximum of five per cent.

Most important of all, remember that being an executor can be a very rewarding experience. After all, you're making sure the wishes of someone close to you are carried out exactly as that person intended. In addition to doing a great service for someone you care about, by doing the job to the best of your abilities, you have an opportunity to make a real difference in the lives of that person's beneficiaries.

For more information, speak with your advisor, who can connect you to appropriate resources and professionals. ■

DID YOU KNOW?

Executor's insurance can be purchased before dealing with the administration of an estate. It may provide coverage in the event a claim is made against the executor.

¹ Liquidator in Quebec



Life after school

How young professionals can set themselves up for financial success.

ABOUT HALF A MILLION CANADIANS graduate every year from a public post-secondary institution.¹ Degree, diploma or certificate in hand, they're ready to start their careers. For many, it's the first time in their lives they're earning a substantial paycheque and gaining financial independence – years of education are finally paying off. It's an exciting time full of opportunities, but it can also be a little daunting – after all, leaving student life behind often means added responsibilities like repaying student debt, establishing a career or practice and supporting your own lifestyle. It also means protecting what you have worked so hard to achieve, in case life throws you a curveball.

Whether you're a young professional or you're a parent who wants to give a new grad the best financial start in life, implementing strategies to effectively manage income can set young adults up for future financial security. It's an ideal opportunity to get things right at the very beginning – and it can help set the stage for good financial habits throughout life.

Success strategy 1: Beware easy spending

That first paycheque in a new career is a thrill. But before celebrating at happy hour or splurging on a new work wardrobe, it's a smart idea to come up with a plan for those funds.

A good first step is to create a simple budget that includes the basics like food and shelter and takes into account new expenses associated with working – everything from transit to dry cleaning to fees for professional associations. Look for areas to trim to keep money-in and money-out in balance.

Success strategy 2: Manage credit carefully

Many recent grads are all too familiar with credit – after all, more than 40 per cent graduate with student debt and, unsurprisingly, more time spent in school means higher levels of student debt. For example, while bachelor graduates owe an average of \$26,300, doctorate graduates owe an average of \$41,100 and medical school graduates owe an average of \$56,000.²

Paying off student debt has to be an important financial priority in the early years post-graduation – and it's equally critical not to rack up other types of debt. That said, using credit carefully helps to build a sound credit rating that makes it easier to get affordable car loans and mortgages in future years.

¹ Statistics Canada, "Canadian Postsecondary Enrolments and Graduates, 2015/16," *The Daily*, December 7, 2017, Statistics Canada catalogue no. 11-001-x, www.statcan.gc.ca/daily-quotidien/171207/dq171207c-eng.htm (accessed June 15, 2018).

² Statistics Canada, *Graduating in Canada: Profile, Labour Market Outcomes and Student Debt of the Class of 2009–2010 – Revised*, section 4, last modified November 27, 2015, www.statcan.gc.ca/pub/81-595-m/2014101/section04-eng.htm (accessed June 15, 2018).

So, it's fine to use a credit card for convenience, but be sure to pay off the balance every month. And it's okay to take out a line of credit for a specific purchase, but have (and follow through on) a plan to pay it back as quickly as possible.

Success strategy 3: Build a safety net

Professionals starting out should consider putting strategies in place to protect the income they've worked so hard to achieve. Be sure to allocate a portion of your budget towards an emergency fund – cash that's available to pay life's inevitable unexpected costs without borrowing.

When considering insurance coverage, it can be difficult to weigh the options. Life insurance is often promoted as the most important protection to have – but for young professionals, a severe illness or injury is more likely than death. This can mean time away from work and a sudden drop in income. Disability and critical illness insurance can

provide protection that can easily fit in a budget – and some disability insurance solutions are specifically designed with price breaks for select professional designations including architects, dentists, engineers, lawyers and physicians.

Success strategy 4: Jump-start savings

Already dreaming about a vacation next year – or even retirement? Start socking away cash now. Consider opening an account for a specific goal under the umbrella of a Tax-Free Savings Account (TFSA). Within a TFSA, all growth is tax-free, and there are no taxes and no penalties if you withdraw money before retirement.

If your employer offers a Registered Pension Plan (RPP) or Group Registered Retirement Savings Plan (RRSP), definitely consider taking advantage. The way a defined-contribution pension plan may work, for example, is that the employee contributes a small percentage of their paycheque, and the company matches it – that's free

EXTRA PROTECTION

Young employees who don't have a health and dental plan (or a robust enough plan) through work can shop around for individual coverage to help pay for prescription drugs, glasses or contacts, dental visits or unexpected health care costs.

money available for the taking. Yet, surprisingly, many workers don't make the most of these plans.³

Even if you're just setting aside small amounts, the discipline of saving regularly helps to establish good habits. Then, with each increase in salary, those small amounts can become larger amounts.

Talk to your advisor about financial planning strategies for young professionals – whether you have just finished school or you have children entering the workforce. The key is to establish solid foundations today that will support long-term prosperity. ■

WHAT'S THE RISK?

Life doesn't always go according to plan. Understanding your risk of disability, critical illness or death based on your age can help you better prepare for the unexpected. Consider these risks facing four young professionals, all non-smokers.⁴

	Risk of disability before age 65	Risk of critical illness before age 65	Risk of death before age 65	Risk of any one of the three before age 65 ⁵
22-year-old male	38%	27%	7%	53%
24-year-old female	44%	20%	5%	52%
29-year-old male	36%	27%	7%	52%
32-year-old female	40%	19%	5%	49%

Calculate your results at InsureRight.ca and speak to your advisor.

³ business.financialpost.com/personal-finance/retirement/canadians-losing-out-on-as-much-as-3-billion-in-free-money-defined-contribution-pensions

⁴ insureright.ca. This data is current as of May 2018 and for illustrative purposes only. Mortality probability based on the Canadian Institute of Actuaries' CIA9704 gender and smoker distinct mortality tables. Disability probability based on the 1985 Commissioner's Individual Disability Table A gender distinct incidence tables for Occupation class 2A, 90-day waiting period. Critical illness probability based on combined incidence rates for Cancer ("New cases for ICD-0 primary sites of cancer: 2002-2007") and the Heart and Stroke Foundation of Canada ("The Growing Burden of Heart Disease and Stroke in Canada, 2003").

⁵ The probability of dying, becoming critically ill or disabled before age 65 was determined by projecting claims experience to age 65 using these incidence rates and determining the probability of at least one event occurring. The probability of at least one event occurring is less than the sum of the probabilities for all three events, as individuals may incur multiple events.



Seven surprising things you can rent

Save money (and space) by renting tools, bikes, toys and more.

CANADIANS ACCUMULATE A LOT OF stuff – from clothes to toys to tools. But how often do we use this stuff? One estimate finds that most cars are parked 95 per cent of the time;¹ another reckons a power drill might only be used for 13 minutes over its entire lifetime.²

What if you only pay for what you use? That is the premise behind the sharing economy. By opting to rent items instead of purchasing them, you can free up space in your home and save money at the same time. Renting can also be a good way to try before you buy.

Here are some things you may want to consider renting:

Tools: Why fork out money for a mitre saw that you'll use a few times at most? You can rent almost anything from a hammer to a cordless belt sander from local tool libraries or hardware stores for a fraction of the purchase price.

Camping equipment: You could easily spend hundreds of dollars on tents, sleeping bags and other camping gear. But it may make more sense to rent equipment instead, especially if you are an occasional camper.

Bikes: Bikes can be expensive. For a small monthly fee, a bike-sharing program might be a more economical option, plus you don't need to worry about storing it between rides.

Formal wear and accessories: Let's face it, you probably won't attend many black-tie galas, so why pay big bucks for a tux or frock that gets worn once (maybe twice)? Formal-wear rentals can get you glammed up for a fraction of the price.

Party supplies: If you are hosting a gathering, consider renting everything from popcorn makers to decor. It costs far less and you won't have to scrounge for storage space when the party is over.

Toys: Anyone with children knows how quickly toys can accumulate and how expensive they can be. Considering that children outgrow most of their toys fairly quickly, a good option might be to rent instead.

Cars: The average car costs between \$8,600 and \$13,000 a year to own.³ For those who live in urban areas, some car-sharing services provide a vehicle for as little as an hour or two at a time and you only pay for the time you use.

On the flip side, you could consider loaning out your own stuff to make some extra cash. You can rent out everything from your barbecue to your parking spot through local peer-to-peer rental sites.

The money you save by renting (or earn from loaning out your items) means you can put more towards your other financial goals – speak to your advisor for help getting started. ■

¹ fortune.com/2016/03/13/cars-parked-95-percent-of-time

² www.cbc.ca/radio/undertheinfluence/the-sharing-economy-1.2983680

³ globalnews.ca/news/3832649/car-ownership-costs-public-transit-canada

A HELPING HAND

How to handle a request for financial support.



MANY CANADIANS ARE GRAPPLING WITH DEBT as a result of soaring spending and a higher cost of living. A 2017 report by the Organization for Economic Co-operation and Development showed that Canadian households are among the most indebted in the world,¹ and a recent survey by the Canadian Payroll Association suggested that nearly half of Canadian workers are living paycheque-to-paycheque.²

If a friend or family member is experiencing financial difficulties, it's natural to want to help. It's difficult to see someone in need, but borrowing or lending between people who care about each other can present some risks and potentially impact the relationship in the long run. Careful handling of a request to provide financial support can prevent misunderstandings, conflict and financial mishaps.

Ask questions

There are many reasons why a person might ask for financial help, so the first thing to do is, as best as possible, try to understand the full context of the situation.

What are the details of the request – is it a loan of few hundred dollars or upwards of a couple thousand? What will the money be used for, and when and how will it be paid back? Is there a pattern of this family member or friend looking to borrow money from those around them? If so, this may indicate a bigger problem.

¹ www.macleans.ca/economy/congrats-canadians-youre-world-leaders-in-debt

² www.theglobeandmail.com/news/national/about-half-of-canadian-workers-living-paycheque-to-paycheque-survey/article36181891

Explore alternatives

The information you gather can allow you to offer more valuable support than simply handing over money. If the individual is overwhelmed by unexpected expenses or debt, perhaps you can assist by helping to create a budget. If they're unemployed, you may be able to help them brush up their resume or search for work. In some cases, it can be a great help to connect them with the right social or professional services in their community, such as social assistance agencies or employment programs.

You might also consider referring your friend or family member to your advisor to review their options. Your advisor will have the expertise and professional network to explore options for the individual that are specific to their situation, and can help get them on the right path to a secure financial future.

Proceed with caution

If you do decide to provide financial support to a friend or family member, there are some things you can do to help avoid confusion or disagreements down the line.

Give a gift

If you can afford it, and you feel it fits the context of the relationship, you may want to simply provide a gift rather than a loan. This way, there are no expectations and no hard feelings. If the money is paid back, you can think of it as a bonus.

Put it in writing

Formalizing the details in a contract will help set expectations, and show that you're taking the loan and its terms seriously. It might feel awkward to ask

for a contract, but it can help you avoid having to ask about repayment later. There are many standard loan agreements available online that can help you hash out the details – loan amount, interest rate (if any) and repayment schedule.

Think carefully before co-signing

If your friend or family member can't qualify for a loan from a financial institution on their own, they may ask you to co-sign. A co-signed loan can take on many forms – short-term, long-term, secured or unsecured. The need for a co-signer means the lender considers the borrower to be a higher risk – either because they don't have an established credit history or because their credit rating is not strong enough. It's important to understand that if the borrower defaults, you're responsible for the balance of the loan. Also, co-signing a loan could reduce the amount of money you may be able to borrow for your own purposes. If you decide to co-sign a loan, it's a good idea to monitor the account to make sure payments are being made on time.

Protect your own financial situation

Helping out someone whom you're close with is a noble gesture, but the last thing you want to do is jeopardize your own financial health. If you're taking the funds from your retirement savings, for example, you could increase your current tax burden and possibly affect the quality of your retirement. Before deciding, it's a good idea to discuss the situation with your partner and ask your advisor about the potential impact on your own finances. ■





Women and the financial frontier

Addressing the financial challenges facing women, with tips men can use too.

W

omen are centre stage in 2018. They're speaking out across social media and demanding change – and there are signs they're well positioned to get it.

The federal government has a gender-balanced cabinet for the first time in history. Globally, female empowerment, workplace equality and the issues women face are the subjects of daily headlines. And in February, *Maclean's* magazine printed two versions of its cover – offering the issue at \$6.99 for women and \$8.81 for men to draw attention to pay equity and how far we still have to go to achieve it.¹

Financial empowerment is an important frontier for women. They have a lot going for them already. More and more Canadian women are taking their places in university classrooms and corporate boardrooms,² suggesting strong earning potential. The wage gap in this country has narrowed³ as women's median annual earnings have more than doubled over the past half century.⁴ Furthermore, women have a track record of outperformance in investing. One U.S. study found that women achieve a 0.93 per cent return advantage because they don't trade in and out of investments as frequently as men do (and therefore don't lose as much to commissions and fees).⁵ Another found that women have a 0.4 per cent performance edge annually, and boost their balances further by setting aside an average

of 9.0 per cent (compared to men's 8.6 per cent) of their paycheques in workplace retirement accounts.⁶

However, as the *Maclean's* covers pointed out, a significant wage gap persists. Recent data from Statistics Canada shows that women working full-time in Canada earn, on average, \$0.74 for every \$1.00 their male counterparts make. The hourly wage rate, which takes into account that men often work longer hours than women, shows women earn \$0.88 for every \$1.00 men earn.⁷

So, women may set aside more of their paycheques, but if those paycheques are smaller the dollar amount they save won't be as high. And while women may get slightly higher investment returns, if those higher returns apply to a smaller asset balance they'll likely still end up with less. That's a problem because women often need more savings than men.

Supporting time off work

Why do women need more savings? One of the biggest reasons is that women tend to experience more time away from work throughout their lives, whether they're raising children, caring for relatives or enjoying a longer retirement thanks to greater longevity.

¹ www.macleans.ca/society/why-macleans-is-asking-men-to-pay-26-more-for-our-latest-issue

² Martin Turcotte, Women and Education, "Women in Canada: A Gender-Based Statistical Report," Statistics Canada catalogue no. 89-503-X, last updated November 30, 2015, www.statcan.gc.ca/pub/89-503-x/2010001/article/11542-eng.htm (accessed April 30, 2018); www.osler.com/osler/media/Osler/reports/corporate-governance/Gender-diversity-board-of-directors-executive-officers-Canada-2017.pdf

³ www.cbc.ca/news/business/statistics-canada-gender-pay-gap-1.4014954

⁴ Statistics Canada, "The Surge of Women in the Workforce," *The Daily*, March 3, 2017, Statistics Canada catalogue no. 11-630-x, www.statcan.gc.ca/pub/11-630-x/11-630-x2015009-eng.htm (accessed April 30, 2018).

⁵ faculty.haas.berkeley.edu/odean/papers/gender/boyswillbeboys.pdf

⁶ www.fidelity.com/about-fidelity/individual-investing/better-investor-men-or-women

⁷ www.theglobeandmail.com/news/national/gender-pay-gap-a-persistent-issue-in-canada/article34210790

Mothers tend to take significantly more time off than fathers after the arrival of a baby, using an average of 31.7 weeks of employment insurance parental benefits compared to the 16.1 weeks used by fathers.⁸ And, among families with one or more children under age 16, 16.2 per cent have a mother who stays home, while just 2.0 per cent have a father who stays home.⁹ The loss of income during the period a woman spends at home is compounded by the opportunity costs. Women who are out of the workforce may miss out on raises and promotions, as well as educational and networking opportunities. As a result, they may not advance as quickly or reach the highest (and best-paid) levels in their careers.

In addition, more women than men are among the 28 per cent of Canadians who are helping someone with a chronic health problem – and caregiving can turn into a full-time job. For example, seven per cent of people caring for a parent spend 30 or more hours a week doing so.¹⁰ Overall, women caring for ailing family members lost an estimated \$221 million in wages every year from 2003 to 2008 because they had to miss work, reduce work hours or leave their jobs.¹¹

Then there's life expectancy. Women's savings often have to stretch over more years in retirement. For example, women born between 2007 and 2009 can expect to live to 83, while men born in the same period have a life expectancy of 79.¹² That average extra four years will clearly cost more and require additional savings.

Forging ahead

There are many approaches individual women can take to maximize their earning potential and strengthen their financial position – and they work for men too!¹³

1. Negotiate

Negotiate your salary when starting a new job. Employers often have an acceptable range in mind, and starting with a higher number provides a higher base to build on with future raises. Once you're in a job, lay the groundwork for a salary increase by proactively asking managers for recommendations that will help you do your job better and position you for a raise or promotion.

2. Communicate

Clearly communicate accomplishments as they occur. They'll help you make the case when the time comes to ask for that raise or promotion – and the case will be stronger if you can put numbers on it. So, if an initiative you spearheaded increased sales, attracted clients or boosted efficiency, find out by how much and share the information widely.

3. Research

Invest some time researching salaries for people in your area who share your title and responsibilities so you're well informed about your market value. Ask around and do some online searches to find out the going rate for your skill set. At work, be forward-looking and talk to your manager about how you'd like to contribute to the future success of your organization.

**Recent studies show
women tend to
outperform men when
it comes to investing.**

⁸ worklifecanada.ca/cms/resources/files/731/CURRENT_STATS_ON_PATERNITY_LEAVE_AND_FATHERS.pdf

⁹ Sharanjit Uppal, "Employment Patterns of Families with Children," *Insights on Canadian Society*, Statistics Canada catalogue no. 75-006-x, last updated November 27, 2015, www.statcan.gc.ca/pub/75-006-x/2015001/article/14202-eng.htm (accessed April 30, 2018).

¹⁰ Martin Turcotte, "Family Caregiving: What Are the Consequences?," *Insights on Canadian Society*, Statistics Canada catalogue no. 75-006-x, last updated November 27, 2015, www.statcan.gc.ca/pub/75-006-x/2013001/article/11858-eng.htm (accessed April 30, 2018).

¹¹ vanierinstitute.ca/infographic-women-caregiving-work-canada

¹² Statistics Canada, "Archived: Life expectancy at birth, by sex, by province," CANSIM table 102-0512, catalogue no. 84-537-XIE, last updated May 31, 2012, www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/health26-eng.htm (accessed April 30, 2018).

¹³ www.forbes.com/sites/elanagross/2016/06/27/8-managers-share-the-best-way-to-ask-for-a-raise-and-get-it/#3b3d24ce74ff

4. Study

To make ongoing raises more likely, think about enhancing your qualifications with additional training and education. Extra credentials can make you more attractive to your current employer, and to other employers too if you decide to change organizations. To speed up your career progress, seek out mentors who can suggest more efficient and effective ways to reach your goals. The wisdom that comes from experience can be invaluable.

5. Prepare

Prepare financially for absences from work. Find out what your province and employer cover in terms of maternity and parental leave, absences related to caring for a critically ill family member, compassionate care leave and bereavement leave.¹⁴ If you're concerned about coverage gaps, consider building extra savings in an emergency fund so you have money to support you through unanticipated periods away from work.

6. Protect

When it comes to financial planning, it's important to protect the income you earn with appropriate insurance, such as disability and critical illness protection. Life insurance protection can help preserve your spouse's and children's financial security should there be a time when they can no longer rely on your income.

7. Invest

See if you can make your money work harder for you by investing early and often in a diversified portfolio that suits your risk tolerance and time horizon – a professional advisor can be invaluable in designing a long-term investment strategy that is customized to your needs. You may also consider permanent life insurance for tax-free investment growth – a great investment alternative, especially if you've already maximized your Registered Retirement Savings Plan and Tax-Free Savings Account investments.

If you are a parent, be aware that it's important to balance planning for children's needs and your own. Whether you're saving for children's post-secondary education or helping adult children with big purchases, make sure your contributions don't prevent you from pursuing your debt repayment strategy, retirement savings plan or other financial priorities.

8. Maximize

As you approach retirement, develop a plan to maximize retirement income and make it last. Part of that plan may include determining when to start receiving Canada Pension Plan benefits so you can take full advantage of your benefit, and ensure that you apply for the child-rearing provision that discounts lower-earning years you took off to raise children (for more information, turn to page 30).¹⁵ Another critical element is to structure investments to minimize volatility and deliver a steady stream of income for as long as possible.

¹⁴ www.canada.ca/en/employment-social-development/programs/employment-standards/federal-standards/leave.html

¹⁵ www.canada.ca/en/services/benefits/publicpensions/cpp.html

Speak with your advisor

By partnering with an advisor you trust, you can create the prudent and all-encompassing financial plans you need to navigate life's financial challenges and achieve high-priority financial goals. Talk to your advisor about strategies that can position you as strongly as possible to protect your lifestyle, enhance your wealth and meet your unique objectives. ■



IMPORTANCE OF HOLISTIC PLANNING

A higher probability of less lifetime income, combined with more years in retirement, means it's especially important for women to engage in comprehensive financial planning and grow their money through investments. A recent global survey¹⁶ found that women may be less comfortable with risk than men:



■ Women ■ Men

However, as demonstrated in one U.S. study, by making investment decisions in the context of a holistic plan that takes all of their challenges and opportunities into consideration, women can earn higher returns¹⁷ and achieve greater financial security today and tomorrow.

¹⁶ www.benefitscanada.com/news/women-face-gender-gap-in-retirement-planning-investing-63458

¹⁷ www.fidelity.com/about-fidelity/individual-investing/better-investor-men-or-women

MINIMUM WAGE INCREASES AND SMALL BUSINESS

Prepare your business model as labour costs rise.



IN NOVEMBER 2017, THE ONTARIO GOVERNMENT PASSED THE FAIR WORKPLACES, Better Jobs Act. In addition to changes to sick days and vacation entitlements, the act increased Ontario's minimum wage from \$11.60 to \$14 per hour beginning January 1, 2018, with a second increase, to \$15, scheduled for January 2019.¹ And Ontario isn't alone. Quebec's minimum wage was hiked to \$12 in May, Alberta's will rise to \$15 in October, and British Columbia has scheduled annual increases to bring its minimum wage to \$15.20 in June 2021.²

While most wage increases haven't been as extreme as those in Ontario, businesses in every province are adjusting to rising labour costs. And while the adjustment may be challenging for business owners, higher wages are not necessarily a bad thing. Some small business owners actually embrace a minimum wage increase: employees who earn a better wage are more loyal, productivity is higher and employee turnover is low, which is overall better for business.³ What's more, some economists believe that by putting more money into the pockets of employees, the increases may help improve the economy.⁴

Considerations beyond wages

If you're a small business owner, a wage increase can affect more than your payroll costs. Employers must also recalculate amounts for Canada (or Quebec) Pension Plan and Employment Insurance deductions. You may also see other costs increase as companies

¹ www.thestar.com/news/gta/2017/11/22/sweeping-updates-to-workplace-protections-become-law.html, accessed April 30, 2018.

² www.retailcouncil.org/quickfacts/minimum-wage-by-province, accessed April 30, 2018.

³ www.thestar.com/news/gta/2018/01/08/why-these-small-business-owners-are-embracing-the-minimum-wage-boost.html

⁴ www.cbc.ca/news/canada/british-columbia/increasing-minimum-wage-puts-money-back-into-small-business-economy-says-labour-expert-1.4479673

in your supply chain raise prices in response to increased labour costs. But preparing for the effects of a rising minimum wage – or any other cost increase – is simply good practice. There are several ways that a small business can manage it, while retaining valuable employees and staying profitable.

Review your business plan

This is a good opportunity to dust off that old business plan or financial model and review spending to determine where costs can be cut. Are there unnecessary or luxury items that can be eliminated or reduced? Cut costs that aren't critical, and reallocate the savings to payroll.

Your business plan review might indicate that more drastic measures are needed to keep the business on a solid financial footing. You may need to adjust staffing levels or possibly reduce hours of operation. Perhaps your pricing strategy needs to be updated. Review your historical financial data and reforecast your expenses with these elements in mind to see how you can reduce the impact of higher labour costs on cash flow.

Consider streamlining your offerings

Rather than focusing on employee costs, think about simplifying your company's product lineup. Review your full offering and consider cutting any products or services that underperform. To help increase your margins, try to sell only what makes the best return on investment.

You may, ultimately, have to adjust your pricing to keep up with a wage increase.

However, a properly communicated price increase, one that is focused on the level of service and the well-being of employees, can help deliver higher margins without affecting customer loyalty.

Focus on employee loyalty

If payroll is your biggest expense, it's a good idea to review staffing levels. Before making the decision to let employees go, analyze your workflow to cut out inefficiencies, and look at possibly automating some processes or trimming certain shifts. Would you be better off with a few full-time staff rather than several part-time or temporary workers? And consider this: if you pay workers low wages, the cost of turnover and constant training may be higher than paying higher wages to retain good staff.

Employee benefits are often cut in an effort to save money, but this can significantly impact employee relations, loyalty and productivity. Explore cost sharing of employee benefits, and review your plan design to see if there are opportunities to save costs. Your advisor can help pinpoint the benefits your employees use most and can recommend changes to the plan to reflect usage.

Get help from the experts

If you're a small business owner and concerned about how wage increases will affect your bottom line, speak to your advisor. He or she can help you prepare for and adjust to wage increases – or any other cost increases – and help to keep your business running smoothly. ■



Demystifying the Canada and Quebec Pension Plans

You've been contributing for years, but do you know what you'll get?

FOR CANADIANS AT OR NEARING RETIREMENT, the Canada Pension Plan and Quebec Pension Plan (CPP/QPP) may be a bit of a mystery. Many people realize they've been contributing to a government pension plan for a good portion of their lives, but may not be sure how much they will receive at retirement.

Furthermore, there is often some confusion as to whether it is a better strategy to begin drawing pension income early at age 60, or to wait until age 65. Below are four facts about how benefits are calculated that may shed light on the system and help you determine the best course of action for your situation.

Fact #1: Your pension is based on your earnings – and your lowest-earning years are excluded.

Generally, a pension benefit is calculated based on your earnings and a predefined contributory period. Earnings are adjusted to bring them in line with the growth in wages over the years. There is also a dropout period for years with low reported earnings. Under CPP, up to

eight of your lowest-earning years (17 per cent of the contributory period) are automatically removed from the calculation for your retirement pension. This is in addition to the child-rearing dropout provision, which allows you to remove years when raising a child under the age of seven reduced your earnings.

QPP offers a similar dropout provision: up to 15 per cent of the contributory period when earnings were lowest can be removed from the benefit calculation. Other exclusions include months when an individual received a CPP/QPP disability pension, an unreduced income replacement indemnity or family benefits paid by the federal or Quebec government for a child under seven.

Fact #2: Take CPP/QPP early and you will receive less.

You can start collecting a CPP/QPP retirement pension as early as age 60. However, if you begin taking either pension early, your benefit will be reduced by 0.6 per cent per month until your 65th birthday. The maximum reduction is 36 per cent. For example, if you would qualify for a \$1,000 monthly pension at age 65, but take it at age 60, you would receive \$640 a month.

You can also choose to receive your CPP or QPP early, while you still work. If

you do so, you are required to continue to contribute to CPP/QPP until age 65.¹ These additional contributions will result in an increased annual pension benefit, known as the “post-retirement benefit” or, under QPP, the “retirement pension supplement.” This benefit increases your retirement pension even if you are already receiving the maximum regular pension payable and continues to increase as long as you make contributions.

Fact #3: Take CPP/QPP later and you will receive more.

If you start receiving your CPP/QPP retirement pension after age 65, it will be increased by 0.7 per cent per month that you delay taking it. The maximum pension increase is 42 per cent at age 70. So, if you would qualify for a \$1,000 monthly pension at age 65, but take it starting at age 70, you would receive \$1,420 a month.

If you continue to work between the ages of 65 and 70, you will automatically be subject to CPP/QPP premiums. You may opt out of paying CPP premiums, but not QPP premiums. To opt out of paying CPP premiums, complete *Form CPT30 – Election to Stop Contributing to the Canada Pension Plan, or Revocation of a Prior Election* (www.canada.ca/en/revenue-agency/services/forms-publications/forms/cpt30.html).

Fact #4: There is a death benefit and a survivor's benefit – up to a maximum amount.

The CPP/QPP death benefit consists of a lump sum payment of up to \$2,500² and a survivor's benefit. However, if the spouse is already receiving a CPP retirement benefit, the maximum monthly amount (retirement plus survivor benefit) cannot exceed the maximum retirement benefit. This rule applies for QPP when the surviving spouse is 65 or older; however, if the surviving spouse is under 65, it is possible for the combined benefit to exceed the maximum retirement benefit.

If there is no spouse or minor child, the only benefit paid is the small lump sum benefit. This would be paid to the estate or next of kin.

If you continue to work and contribute after beginning to receive your CPP pension (whether before or after age 65), the post-retirement benefit will not be included for survivor or disability benefits, nor for pension sharing or credit splitting purposes on marriage breakdown.

With QPP, the retirement pension supplement is included in survivor benefits, but not included in disability benefits or for credit splitting purposes on marriage breakdown. In the case of voluntary pension sharing, the additional contributions will be included.

¹ Applies to all pensioners under age 65 who are receiving a CPP/QPP pension, regardless of when they started receiving their CPP/QPP pension.

² For the CPP death benefit, if you received this amount and you are a beneficiary of the deceased's estate, you can choose to include it either on line 114 of your own tax return or on a T3 tax return for the estate. With respect to QPP, the death benefit must be reported in the income of the estate, regardless of the name in which the cheque was made out.

Determining when to collect CPP/QPP

If you are unsure of whether to take CPP/QPP at 60 or wait until 65, consider the following questions:

Have you stopped working?

It generally makes sense to take CPP/QPP early if you have stopped working. The contributory period continues until you start drawing the pension or age 70, whichever is earlier. If you are no longer contributing, the zero earnings during the non-contributory period before starting your pension may lower the overall benefit collected even if you wait until age 65.

Are you currently receiving a survivor's benefit?

Your early retirement benefit will be combined with your survivor's benefit and this combined payment is capped at the full maximum retirement benefit for the year. The age your retirement pension commences may impact the amount of survivor's pension you receive going forward. Obtain an estimate for your combined payment before taking your own retirement pension to understand what adjustments, if any, will be made to your current survivor's pension.³

Are you single?

Because your heirs will receive no death benefit other than the small lump sum amount, you may want to take CPP/QPP early, unless you have an above-average life expectancy, to ensure you get as much out of the plan as possible.

Do you have health concerns?

If you qualify for a disability benefit, it is better to apply for that benefit since it is higher than the retirement benefit. However, if you do not qualify for the disability benefit and your health issues will have an impact on your life expectancy, you should consider applying for the early retirement benefit.

Are you healthy and continuing to work?

If yes, postponing taking the pension and continuing to contribute will result in a greater retirement pension and a larger total amount collected from the plan. The amount received from the plan depends on an individual's life expectancy; in general, life expectancy is predicted to continue to increase.⁴

Making an informed decision

If you qualify for a CPP/QPP pension, you can request a quote for how much you will receive if you begin collecting at age 60, and how much you'll receive if you stop contributing but wait until age 65 to start your pension.

Once you receive your quotes, your advisor can help you determine which option makes the most sense for your situation. With appropriate planning, you can maximize the benefits you receive in your golden years. ■

HOW MUCH WILL YOU RECEIVE?

The following resources can help you estimate how much CPP and QPP you will receive.

For the Canada Pension Plan:

- Complete Form ISP1003 (Estimate Request for Canada Pension Plan Retirement Pension) available at a Service Canada office or at www.servicecanada.gc.ca
- Use the Canadian Retirement Income Calculator at www.canada.ca/en/services/benefits/publicpensions/cpp/retirement-income-calculator.html

For the Quebec Pension Plan:

- Contact Retraite Québec or visit rrq.gouv.qc.ca
- Use the CompuPension calculator at www.rrq.gouv.qc.ca/en/services/services_en_ligne/planification/Pages/simulation.aspx

³ The rules for combining benefits do not apply to the CPP "post-retirement benefit." This amount will be added to your CPP/QPP retirement pension even if you receive the maximum retirement pension.

⁴ Mortality Projections for Social Security Programs in Canada, Office of the Superintendent of Financial Institutions, April 2014.





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*Table 203-0026. www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2030026.

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TAME WILDLIFE IN AN UNTAMED WILDERNESS

Tread lightly in Darwin's footsteps in the extraordinary Galapagos Islands.



WHEN CHARLES DARWIN STEPPED OFF THE HMS *BEAGLE* ONTO THE SHORES of the Galapagos Islands in September 1835, the unique plants and animals he saw there would help inspire his theory of natural selection. Today's visitors can, like Darwin, observe giant tortoises, finches and a spectacular range of endemic flora and fauna. The islands' beaches and snorkelling attract people in search of a tropical escape – but this volcanic archipelago's status as a "living museum"¹ makes it a travel destination like no other.

A land in flux with a one-of-a-kind ecosystem

A thousand kilometres off Ecuador's coast, deep under the Galapagos Islands, underwater volcanoes continue to shape and reshape the land, but that doesn't seem to concern the abundant wildlife in the water and on shore. In fact, Galapagos animals are famously unafraid, thanks to few natural predators and a food chain topped unusually by a bird – the Galapagos hawk. Because the wildlife is so calm around people, this may be the best place in the world to get a selfie with a blue-footed (or red-footed) booby, lava lizard, sea lion, penguin, pelican or even that apex predator hawk.²

The Galapagos Islands are also home to a host of "onlies," including the only penguin that swims in northern hemisphere waters, the only gulls that feed at night and the only seafaring lizard – the Galapagos marine iguana.³ About one in 10 of the 400 species of fish in the waters around the islands are found nowhere else in the



LEFT: Take in the breathtaking view of Pinnacle Rock on Bartolomé Island.

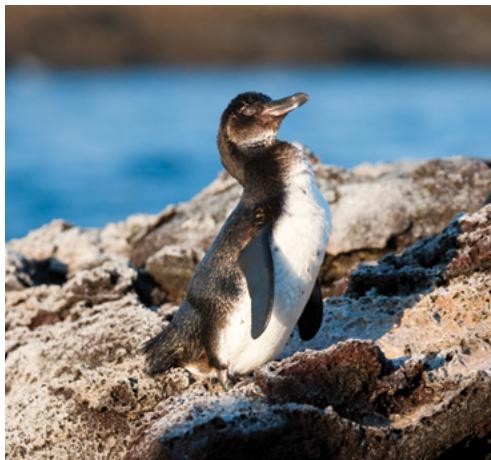
TOP: Observe the brightly-coloured blue-footed booby, a Galapagos fan favourite.

ABOVE: Greet the gentle Galapagos giant tortoise, which can tip the scales at more than 900 pounds.

¹ whc.unesco.org/en/list/1

² www.galapagos-islands-tourguide.com/galapagos-animals.html; www.galapagos-islands-tourguide.com/galapagos-hawk.html

³ www.galapagosislands.com/info/fast-facts.html



TOP: Tread lightly on unbelievably soft and pure sandy beaches.

ABOVE: Spot the endangered Galapagos penguin, the only penguin species that lives north of the equator.

world,⁴ and almost a third of the 600 native plant species on land are unique to the Galapagos Islands.⁵

When planning a trip, time your visit based on what you most want to experience. From December to May, temperatures are warmer, waves are gentler, flowers bloom, birds mate and sea turtles nest. From June to November, temperatures cool slightly and rain mists the islands. Rougher waves bring nutrients that attract marine life, and it's more likely you'll encounter penguins and albatrosses. That said, because the islands span the equator, they provide a warm welcome year-round.⁶

From penal colony to ecotourism hot spot

Darwin was far from the first person to visit the Galapagos Islands. The archipelago was officially discovered 300 years earlier, in 1535, by Tomás de Berlanga, Bishop of Panama. He wrote a letter to King Carlos V of Spain to tell him about the *galapagos* (tortoises) he encountered there, and the islands got their name.⁷ Later, buccaneers, whalers and sealers used the islands as a base – visit Post Office Bay on Floreana to see an unofficial mailbox inspired by them. Leave a letter yourself, and then pick up and deliver one that's addressed to someone in your home town.⁸ In the 19th and early 20th centuries, prisoners were sent to penal colonies in the Galapagos; the aptly named Wall of Tears on Isabela was constructed by them.⁹

⁴ www.galapagosislands.com/info/fast-facts.html ⁵ aboutgalapagos.nathab.com/flora/native-galapagos-plants

⁶ www.galapagos.org/travel/travel/planning-a-trip ⁷ www.galapagosislands.com/info/history

⁸ www.galapagosislands.com/blog/post-office-bay ⁹ www.atlasobscura.com/places/wall-of-tears



Today, the Galapagos Islands are home to the Charles Darwin Research Station, where over 200 scientists and volunteers engage in research and conservation.¹⁰ The entire archipelago is on the UNESCO World Heritage List for its outstanding universal value,¹¹ and to help protect it tour providers must agree to conserve water and energy, recycle and treat waste, source locally made products and hire local employees at a fair wage.¹²

Visitors can engage in many activities that are both adventurous and sustainable – consider hiking (with a permit) among giant tortoises on Alcedo Volcano, strolling along the black lava shoreline at Puerto Egas, striking out through a cactus forest to meet a flamingo on the white sand beach at Tortuga Bay and snorkelling among sculptural lava and mangroves at Los Túneles.¹³ Design your itinerary to take in as much as possible on the 13 major islands, six smaller ones and dozens of islets breaking the surface of the ocean¹⁴ – or find one perfect beach and settle in to share your vacation with the friendly native animals.

Will these islands change how you see the world?

When you need to get away from it all, a trip to the Galapagos Islands may be the answer. Remote, rugged and unique, with tame wildlife in a relatively untamed wilderness, this is a place with the potential to refresh, enlighten and maybe even change how you see the world. Get inspired at www.ecuador.travel. ■



TOP: Get up close to the fierce-looking marine iguana, a gentle herbivore with the unique ability to forage underwater for algae and seaweed.

ABOVE: View a volcanic crater on Bartolomé Island.

¹⁰ www.lonelyplanet.com/ecuador/puerto-ayora/attractions/charles-darwin-research-station/a/poi-sig/1169725/1006929

¹¹ whc.unesco.org/en/list/1 ¹² www.galapagos.org/travel/travel/sustainable-tourism

¹³ www.lonelyplanet.com/ecuador/the-galapagos-islands ¹⁴ www.britannica.com/place/Galapagos-Islands

A PLACE TO CALL YOUR OWN

Put your stamp on your new home with these budget-friendly decorating and design tips.



AFTER MONTHS OF SEARCHING FOR THE PERFECT PLACE, you've finally found the one. Moving into a first home can be a liberating and thrilling experience, and chances are you're eager to give it your own touch. Whether you're looking to splash a new condo with some personality or to bring a '70s split-level into this decade, your new space is waiting to be personalized. But where should you direct that hard-earned money? Below are some tips on how to get started when decorating your first home.

Renovations and upgrades

First and foremost, focus on repairs that may be required to ensure your home is sound and up to safety code. If you didn't hire a home inspector before the purchase, consider enlisting one now. Check the structure and foundation, windows, roof, electrical and plumbing, look for any evidence of water damage and ensure there are working smoke and carbon monoxide detectors.

For aesthetic renos, consider focusing on those that will increase the value of the property – hardwood floors and kitchen and bathroom upgrades typically see the greatest return on investment.



How will you use your space?

Think about the elements of your home that are most important to you. Do you love to binge-watch TV in a home theatre setting? Entertain friends in an elegant dining room? Cook meals while keeping an eye on the kids? While you might answer yes to all of the above, figuring out the highest priorities can help you determine where to allocate your decorating dollars.

Break out the brushes

Paint can be an inexpensive way to update and personalize a space. Create a cohesive environment with neutrals, or add drama with an accent wall. You could choose to tackle this task before moving items in, or wait until after, to see how different swatches look with your belongings.

Embrace hand-me-downs

Chances are you have family and friends who are more than happy to pass on items to help you set up your new digs. Accept their offerings of furniture, linens and kitchenware. You can refinish pieces to suit your style – a coat of paint can instantly update a side table, and adding a throw and some pillows can liven up an old sofa. Even if you don't keep them forever, they can help tide you over so that you can follow the next golden rule ...

Resist the urge to buy everything all at once

Decorating your home over time will result in a more natural style that won't look like it was pulled from a catalogue. Browse Pinterest, home decor magazines and websites for inspiration. Compile your favourite looks and see what styles and colours stand out. From there, shop around. Check out different retailers and online sites and see what's available at various price points. Be patient and wait for sales, especially on bigger-ticket items.

Measure twice, buy once

Nothing's worse than having your comfy sectional delivered, only to discover it doesn't fit in the living room. Make it a habit to shop with a measuring tape and know the dimensions of your space. Before purchasing items, sketch out a floor plan on graph paper or use painter's tape to outline furniture placement on the floor.

Remember, design decisions aren't necessarily forever. So, relax, have fun and enjoy making memories in your new place. ■

Sources:

- www.houzz.com/ideabooks/17899330/list/how-to-decorate-when-youre-starting-out-or-starting-over
- www.designsponge.com/2016/02/first-time-decorating-when-to-splurge-when-to-save.html
- www.hgtv.com/design/decorating/design-101/maximize-your-decorating-budget
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SAVE VS. SPLURGE

One of the best ways to stretch a design budget is to mix and match low-end and high-end items.

SAVE ON:

Accent furniture. Don't go all-out on items such as ottomans, coffee tables and accent chairs. Your style will evolve, and the pieces may not fit in your next home.

Accessories. If you purchase toss pillows, throws and lamps on the cheap, you'll be able to buy trendier pieces and switch them out to stay up-to-date.

Wall art. It takes time (and money) to build up a formal art collection. In the meantime, purchase inexpensive frames and display favourite photos, vintage prints, maps and even wallpaper.

SPLURGE ON:

Textiles. Treat yourself to higher-end bedding, towels and window coverings that won't wear out in a few months. Heavy curtains also have practical benefits such as blocking light, sound and cold air.

Sofa. Choose a good-quality, neutral-coloured sofa that will last for years and can move with you to your next home.

Mattress. This is where you spend eight hours a day, after all, so it's worth it to buy a comfortable and supportive one.

SAY YES TO LESS STRESS

Stay calm and collected with these nine tips.



STRESS TAKES ITS TOLL ON OUR BODIES. IT AFFECTS US PHYSICALLY, depletes us emotionally and drains us of our ability to focus and be productive. In fact, many illnesses, including diabetes, heart disease, asthma, depression and anxiety, are caused or made worse by stress.¹ When the going gets tough, try these strategies to persevere.

Get your z's

Sleep is often the first thing to go when we're too busy, but a rested body manages stress better. Limit caffeine, wind down with a relaxing bedtime routine and aim for at least seven hours of shut-eye a night.

Move more

Exercise releases endorphins (the “feel-good” chemicals) and is one of the best stress relievers around. The Canadian Physical Activity Guidelines recommend 150 minutes of activity a week, but even brief periods of exercise, such as a 10-minute walk, can help relieve anxiety.²

Laugh it off

They say laughter is the best medicine – and it certainly has tension-relieving powers. A hearty laugh relaxes muscles, lowers stress hormones and releases mood-boosting endorphins.³ Finding humour in a difficult situation can also help improve your outlook. Join co-workers for a coffee break, frolic with a pet or simply watch a funny TV show.

¹ www.webmd.com/balance/stress-management/features/10-fixable-stress-related-health-problems#1

² www.csep.ca/CMFiles/Guidelines/CSEP_PAGuidelines_adults_en.pdf; www.mayoclinic.org/healthy-lifestyle/stress-management/in-depth/exercise-and-stress/art-2004469?pg=2

³ www.helpguide.org/articles/mental-health/laughter-is-the-best-medicine.htm

Snack smarter

Instead of reaching for sugary snacks when things get hectic, try some proven calming foods. Berries are packed with vitamin C, which has been found to reduce stress. Oatmeal and other complex carbohydrates cause your brain to produce soothing serotonin. And cashews are a great source of zinc, which can help combat anxiety and depression.⁴

Take mini-breaks

When you have a lot to do, you may be tempted to power through. But short, frequent breaks actually enhance productivity by making you feel clearer, more creative and more focused. Try going for a stroll at lunch or doing some stretches at your desk.

Be grateful

Practising gratitude helps you focus⁵ on the positive things in life. Even in challenging times, write down three things you're thankful for every day – it may surprise you how good something so simple can feel.

Make a change

If you can't eliminate a stressor, try to change how you react to it. Feeling rushed to get dinner on the table? Look into a healthy meal delivery service. Stuck in traffic? Sing along to the radio or listen to an audiobook.

Just say no

Heaping tasks onto an already full plate will only add to your stress. When we say yes to everyone, we end up saying no to our own well-being. Practise setting boundaries with a simple “Sorry, I can’t take that on right now” – no explanation needed.



THREE SURPRISING STRESS-BUSTERS

Hugs for hire. The stress-relieving power of human touch is so great that professional, platonic cuddling services are growing in popularity across Canada.

Forest bathing. Researchers in Japan have found that *shinrin-yoku*, or spending time in nature, can calm nerves and lower blood pressure.

Rage rooms. Patrons are equipped with baseball bats or crowbars and allowed to take out their aggression on inanimate objects in a safe space.

Sources: www.cbc.ca/news/canada/cuddling-services-on-rise-canada-1.3448154; www.cnn.com/2017/08/10/health/forest-bathing/index.html; www.cnn.com/2017/03/30/health/anger-room-stress-relief/index.html

Be mindful

Our brains spend a lot of time focusing on the past or the future. But zeroing in on the here and now makes it impossible for thoughts like worry or regret to creep in. Try a guided meditation, or just work on being present while doing everyday activities. Focus on the taste and texture of the food you eat, the feeling of the warm water while washing dishes or the sound of the wind in the trees.

By finding ways to unwind, you can do a lot to improve your outlook and your long-term health. It's a good idea to check with your doctor before making any major lifestyle changes. Then, experiment with different techniques to see what works for you. ■

⁴ www.prevention.com/mind-body/emotional-health/13-healthy-foods-that-reduce-stress-and-depression

⁵ www.huffingtonpost.com/kate-bartolotta/5-science-backed-ways-taking-a-break-boosts-our-productivity_b_8548292.html

FAMILY NIGHT PIZZA



This dish is a real winner for dinner or even lunch. This sumptuous white sauce pizza is sure to have the whole family at the table faster than you can say, *Buon appetito!*

Ingredients

- 2 sheets frozen puff pastry, thawed (about 450 g pkg)
- 2 tbsp. (30 mL) butter
- 1 clove garlic, minced
- 2 tbsp. (30 mL) all-purpose flour
- 1 tsp. (5 mL) dried basil
- 1/4 tsp. (1 mL) salt
- 1 cup (250 mL) milk
- 2 plum tomatoes
- 2 mushrooms
- 2 thin slices deli ham
- 2 cups (500 mL) shredded Canadian mozzarella
- Fresh basil for garnish (optional)

Preparation

Preheat oven to 425°F (220°C). Unroll puff pastry sheets and place side by side (overlapping slightly to form one large crust) to fit on a large parchment-lined baking sheet. Press the overlapped dough together so it sticks. Prick all over with a fork. Press edges with a fork. Refrigerate pastry until ready to use.

Melt butter in a medium saucepan over medium heat. Add garlic; cook 1 min. Sprinkle with flour, basil and salt; whisk about 1 min. Gradually whisk in milk. Bring to a boil, then reduce heat. Whisk for 2 min. until smooth and thickened; set aside.

Thinly slice tomatoes and mushrooms. Cut ham into pieces. Drizzle cooled milk sauce over pastry, and spread to cover crust, leaving about 1/2 inch (1 cm) around edges.

Arrange tomatoes, mushrooms and ham over sauce. Sprinkle with cheese.

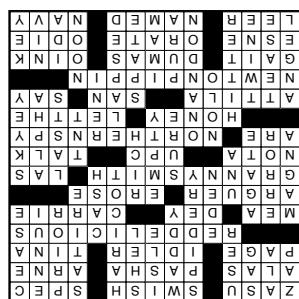
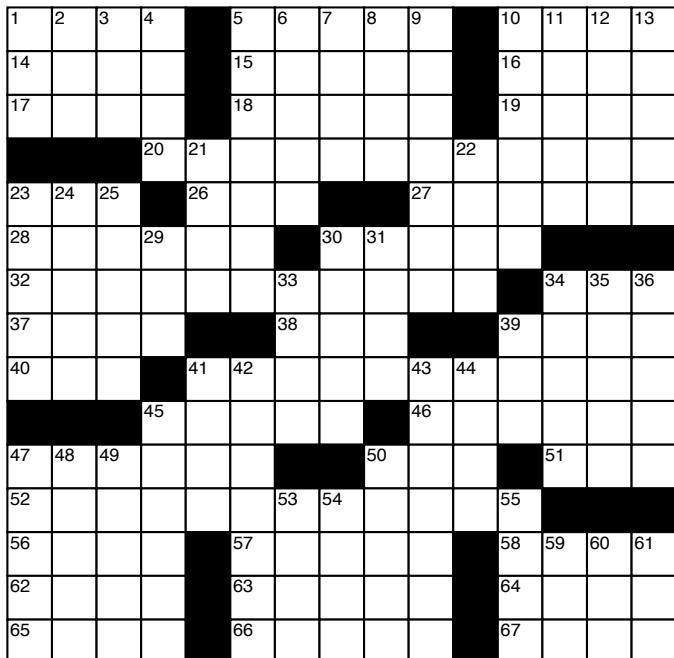
Bake about 15 min. or until a deep golden brown. Let stand 5 min. before serving. Garnish with basil, if using.

Tips

For additional flavour, scatter pizza with fresh thyme leaves.

Substitute your favourite pizza toppings for the ones above.

Recipe and photo provided by Dairy Farmers of Canada. For more recipe ideas visit dairygoodness.ca. ■



ANSWER

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CROSSWORD

APPLE-ATIONS by Isaac Miller

ACROSS

1. Character actress Pitts
5. Nothing-but-net basketball shot
10. On —, pending later approval
14. Rueful word
15. Turkish bigwig
16. English composer Thomas
17. Capitol Hill gofer
18. Lazy person
19. Famous Fey
20. Apple variety: 2 wds.
23. — culpa: Latin
26. Susan of "L.A. Law"
27. "American Idol" alum Underwood
28. Debate participant
30. Jagged
32. Apple variety: 2 wds.
34. Vegas opener
37. — bene: Latin
38. It's scanned at the supermarket: abbr.
40. Chew the fat
41. Exist
42. Apple variety: 2 wds.
45. Tea sweetener
46. "— Sunshine In": 2 wds.
47. Head Hun
50. — Juan
51. Vocalize
52. Apple variety: 2 wds.
53. Pace
54. Camille's creator
55. Sound from a pen
56. Feudal flunky
57. Hold forth on a stump
58. Garfield comics dog
59. Look from Groucho
60. Appointed
61. Blue hue
62. Strong thread
63. Outpouring
64. Aqua —
65. Muslim prayer leader
66. Lunch time, for many
67. Muckraker Tarbell
68. Bible abbreviation
69. Map feature

DOWN

1. Shoot with a ray gun
2. In the style of: 2 wds.
3. Droop
4. Manipulative sort
5. Long and thin
6. Aborigine club
7. Wight or Capri
8. Writer Silverstein
9. French green bean
10. "Saturday Night Live" specialty
11. Earlier
12. The blahs
13. Put a stop to
21. Eve's garden
22. Alternative to plastic
23. — Carta
24. Flub
25. Chalcedony
29. Merkel of the movies
30. Unfortunate gas gauge reading
31. Loaded
33. "Of course!"
34. Endures
35. Leader of Athens?
36. Exalted
39. Explosive letters
41. — contendere
42. At great length: 3 wds.
43. Passed
44. Actor Santoni
45. Batsman
47. Broadway backer
48. Rib
49. Strong thread
50. Outpouring
53. Aqua —
54. Muslim prayer leader
55. Lunch time, for many
59. Muckraker Tarbell
60. Bible abbreviation
61. Map feature

A man in a dark suit and glasses, holding a wallet, pointing upwards.

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