

Making a list and checking it twice

Managing Your Money

LYNN MacNEIL



‘Tis the time of year when many people make lists – gift lists, guest lists, New Year’s resolution lists. I’m always encouraging my kids to make lists. I love lists! To-do lists. Task lists. Grocery lists. They help me to stay on track and not to forget important things. So it’s no surprise that one of the core elements of our Wealth Management practice is a Financial Planning checklist!

If you’ve ever purchased a home, you’ve probably done a home inspection. The goal of the home inspection is to uncover problems with the house before you buy it. Some may be minor issues that don’t even bother you. Yet others may have you reconsider the entire purchase. Ultimately, if you decide to go ahead with the purchase, you want to go in with all the information and issues identified.

Wealth planning can be looked at the same way as a house. You want to make sure you have a solid foundation, you’re taking advantage of all the right strategies, and that your long-term plan has a high probability of success.

“Our checklist gives our clients peace of mind that we are on top of things and not missing out on tax savings or other opportunities.”

A home inspector uses a home inspection checklist to make sure he/she doesn’t miss any crucial details during the inspection. Likewise, a wealth planning checklist is a critical tool to make sure nothing is being missed in your financial nooks and crannies. Even highly experienced advisors with decades of experience, are still only human. When it comes to taxes, investments, insurance, estate planning, and business planning, the amount of information and knowledge that is required is overwhelming. A checklist simply helps ensure that we dot all the i’s and cross all the t’s.

Here are a few examples of ‘minor’ things that we often see missed when people come to us seeking a second opinion. This is where using our trusty Wealth Planning Checklist to scan through a person, or family’s financial situation helps us make sure that we don’t miss these things too!



A wealth planning checklist is a critical tool to make sure nothing is being missed in your financial nooks and crannies

Younger spouse’s age – generally, in a situation where income is not required when setting up a RRIF, it makes sense to use the younger spouse’s age for the payment calculation. This reduces the dollar amount of forced withdrawals, and in turn, reduces the amount of taxes.

Unused Capital losses – when reviewing tax documents, we often find unused capital losses from previous years that haven’t been used to offset taxable capital gains.

Asset location – we often meet people looking for a second option whose investment advisors never look at their tax return. Not knowing their tax situation, the advisor often neglects to choose tax-efficient “locations” to place the chosen investments. Net investment returns can be significantly affected by their taxation. Therefore, for those looking for tax-efficient investing, this is a key point.

These are only three minor examples from our 180-point Wealth Planning checklist. Our Wealth Planning Checklist has been developed over decades of experience. We’re continuously improving it as laws and rules change. Our checklist gives our clients peace of mind that we are on top of things and not missing out on tax savings or other opportunities.

Recently, we have been working with a new client. He reached out for some advice but was somewhat reluctant to work through our process. He felt like he was already well set up because he had been advised by a team of accountants and lawyers. They did a good job

with most of his Wealth Planning. But based on his wishes and goals, when we went through our process with him, we found some important details related to his estate planning that even his team of professionals missed. They also missed removing someone in his will, who he no longer had a relationship with and wished not to leave an inheritance.

For the do-it-yourself investors out there, you’ll find wealth planning checklists online. For those with an advisor, ask the question “how do you make sure you’re not missing anything?” A checklist without the knowledge behind it is much less useful but it can still provide guidance on what areas can potentially be improved.

“Just as regular home maintenance keeps you safe and gives you peace of mind, regular financial maintenance can do the same.”

As with a home, cracks in the foundation may not cause immediate problems, but they can lead to stressful and costly issues down the line. Just as regular home maintenance keeps you safe and gives you peace of mind, regular financial maintenance can do the same. Keep this in mind as you start thinking ahead and planning for the New Year.

Best wishes for a Joyous Holiday Season and Happy New Year!

f For more tips and insights on managing your wealth, follow me on FACEBOOK @Richardson Wealth - Ephtimios MacNeil Wealth Management

Lynn MacNeil, F.P.L., CIM®, is an Associate Portfolio Manager and Financial Planner with Richardson Wealth Limited in Montreal, with over 27 years of experience working with retirees and pre-retirees. For a second opinion, private financial consultation, or more information on this topic or on any other investment or financial matter, please contact Lynn MacNeil at 514.981.5794 or Lynn.MacNeil@RichardsonWealth.com. Or visit our website at www.EphtimiosMacNeil.com.

The opinions expressed in this report are the opinions of the author and readers should not assume they reflect the opinions or recommendations of Richardson Wealth Limited or its affiliates. Assumptions, opinions and estimates constitute the author’s judgment as of the date of this material and are subject to change without notice. We do not warrant the completeness or accuracy of this material, and it should not be relied upon as such. Before acting on any recommendation, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice. Past performance is not indicative of future results. Richardson Wealth Limited is a member of Canadian Investor Protection Fund. Richardson Wealth is a trademark of James Richardson & Sons, Limited used under license.