

Insights

SUMMER 2016

More in-depth educator-specific financial tips and articles are available at educatorsfinancialgroup.ca

SUMMER IS HERE!

What can summer teach us?

One of the wonderful things about being an education member is the summer. A chance to recharge, or renovate. Take a course, or take off.

If you are not retired yet, then you've worked the equivalent of 12 months in 10. You earned a summer off.

Whatever your plans, make the most of them. Because if there's one thing summer teaches us all, it's this: we have to make the most of every day.

View our summer video greeting card:
educatorsfinancialgroup.ca/summer2016

From all of us at
Educators to all of you,

*Happy
Summer!*



CHUCK'S CORNER

Your convenience comes first.



You've probably noticed that Educators has 'gone digital' the last few years – providing articles, access to your accounts, and communicating online. We've

found that education members are busy, both in the school year and in the summer, and appreciate how easy it is to email us or go to our website (more about that in a second)! So we know: 'going digital' is not about technology. It's about convenience.

For example, now you can conveniently make contributions to your Educators' accounts through online banking. Simply add Educators Financial Group as a bill

payee to your online bank account. (We do need specific trading instructions – so before making the contribution, call us to talk about investing the contribution you're about to make.)

You can sign up for electronic delivery of your statements, and keep track of your investments through our online client portal. Call us and we will gladly set you up with a PIN number. Or, if you prefer to have your statements mailed, we can limit the pieces of paper you receive by suppressing the statement for the secondary owner of a joint account, so long as you or your spouse sign the request form.

We can communicate faster. Case in point: since May 30th, industry regulatory change requires that you receive Fund Facts before the purchase of a mutual fund. Through email, we can get you the information quickly, so that your transactions can be processed

faster. If you haven't provided us your email yet, call us today!

Last, but certainly not least, our new, device-friendly website features an enhanced The Learning Centre, improved search, better tools, and many more improvements. I encourage you to take some time to discover its many exciting features.

Your convenience – is important to us. If you have not done so already, add your email address to your Educators account. For more information on our services and to update your account information, get in touch with us at **1-800-263-9541**.

Sincerely,



Chuck Hamilton, President and CEO
Have questions or feedback? Email me at:
chamilton@educatorsfinancialgroup.ca



Remarrying? Plan for more than booking the hall.

Getting remarried? Book the hall, invite your friends and register online for gifts. But above all, don't forget to rewrite your will. Because in Ontario, if you're marrying for a second (or third, or fourth) time, your new marriage automatically invalidates previous wills, including any bequests you might have intended to go to your children, regardless of how young, or how old, they may be.

Surprised? You're not alone. Many education community members aren't aware of this aspect of Estate Law in Ontario, which many other Canadian provinces and U.S. states have changed due to its disruptive nature. Because the surviving spouse has the right to sue the estate for support, one could argue the law is not necessary.

Your will deserves professional consideration.

By using a lawyer, "You are less likely to have issues with improper language causing issues or delays in your estate being settled. Also while lawyers can and do make drafting errors from time to time – they have insurance that will cover the cost of mistakes that can occur. This is huge," says Marian Ollila, Educators' Financial Advisor.

Other ways remarriage requires planning.

Did you know these financial facts?

- If you own a house as 'joint tenants' with your new spouse, upon your death 100% goes to the spouse. The alternative is owning as 'tenants in common', where each person only owns a portion of the property, and their portion forms part of their estate.
- RRSP beneficiary designation – if you name a beneficiary other than the spouse, the RRSP/RRIF will be taxable to the estate.

Source: <http://retirehappy.ca/financial-tips-for-second-marriages/>

Don't have a gratuity? Build your own!

If you've been eyeing with envy the gratuity that other educators may be getting, don't! With a little effort, you can build your own. It only takes three steps.

1. Free up some monthly cash flow by consolidating high interest debt.

Let's face it: most of us have a few debts. A credit card (or two), a car loan, a student loan, even a mortgage. Problem is, the interest you pay each month can really add up. And no wonder - some department store credit cards charge 29% a month! But there's good news: it's easy to free up some money at the end of the month – to put towards building your own gratuity – by consolidating high-interest rate loans into one, low-rate line of credit. You can save hundreds or even thousands of dollars over time. And Educators Financial Group offers lines of credit with rates as low as 2.35%*!

2. Start up an investment portfolio.

That freed up cash? Invest it. While RRSPs have been the most popular option for tax-sheltering some of your earnings, for many a TFSA can be a better choice, particularly if your income is limited and you can afford to use only one of these tax-sheltered accounts. "Investing in mutual funds within your TFSA can result in much higher earnings than you ever could in a regular savings account", says Educators' Brad Higginson, Vice-President, Client Advisory Services.

3. Invest regularly.

An Educators financial advisor will set up a plan that withdraws the same amount regularly and invests it, helping you maximize the cumulative interest earned. Most people say they don't even miss the money, because it's automatic. (Besides, you were already paying that money in your interest payments before, right?)

How much you need to invest monthly depends on how long you have to invest. For more information on building your own gratuity, visit:

educatorsfinancialgroup.ca/gratuity

Make your summer dreams come true.

As educators, you know that your long, lovely summers are a mixed blessing. Yes, you have time to do something special, whether that's long days at the cottage, travelling, or renovating the kitchen. But you also need to find the money to make these dreams come true. Fortunately for you, Educators Financial Group gets top marks for teaching others how to fund their plans.

Educators Financial Group Agent – Regional Director, Adele Iozzo knows that some ways to borrow are better than others.

Educators Financial Group Agent – Regional Director, Adele Iozzo knows that some ways to borrow are better than others. "Consider that home renovation you have in mind. While you probably could get a credit card at a local building supply store at an interest rate of 20% or more, if you own your own home, there's a way to pay less for the money you need."

A secured line of credit provides you with the highest credit limit available to you, based on the security of equity in your home, at a low-rate of interest. In fact, with Educators Financial Group, the rate of interest on a secured line of credit is only 2.35%*! The lesson here is: doing your homework on the types of loans available to you can really pay off.

Other options? Refinancing your mortgage. Refinancing could allow you to consolidate debt, such as high interest credit card balances and loans. Using the equity in your home can be a lower-cost way to borrow the money, instead of taking out a traditional loan. You can then put the money you are now saving on interest payments towards your plans for the summer months, a '4 over 5', or your child's education.

For more information visit:

educatorsfinancialgroup.ca

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