

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

DID YOU KNOW?

How much is financial advice really worth?

Investors who focus strictly on fees often miss the broader picture. Instead of asking what financial advice costs, ask what it delivers. Much like a family doctor who guides you through routine wellness and unexpected emergencies alike, a trusted financial advisor supports every stage of your life. They provide tailored guidance on budgeting and saving, investment planning, risk management, retirement, taxes, and estate planning, helping ensure every part of your financial health is working together seamlessly.

"If you want to measure the value of advice in dollars and cents, consider this scenario," says Educators Senior Financial Planner

Brad Thompson, CFP®, RIS. "During a market dip, an investor panics and sells their \$200,000 portfolio, locking in a \$40,000 loss from the previous month's value. Because they've held these investments for years, the unexpected sale triggers \$60,000 in accumulated capital gains, adding \$6,000 in income taxes and triggering an Old Age Security recovery tax of \$2,250. When the market rebounds, they miss out on \$60,000 in recovery and growth."

Often times, the greatest value an advisor provides isn't picking investments, it's helping you stay the course. In this example, doing so would have preserved approximately \$28,250 in value.¹ Reassuring

guidance during volatile times prevents costly, reactive decisions, keeping your long-term financial plan intact.

The best part for our clients? Comprehensive financial guidance is included as part of your relationship with us. Since our financial advisors are salaried professionals, not driven by commissions or fees, our priorities stay entirely aligned with yours. That means that we can focus solely on providing unbiased value: helping you stay on track with your plan, build long-term wealth, and reach your goals.

Ready to make the most of your financial plan? Call us at 1.800.263.9541 today.

PETER'S PERSPECTIVE

Meet the 50 Education Heroes who inspire us every day.

At Educators Financial Group, we are inspired every day by each and every one of you, whose passion and dedication to shaping the next generation remind us why we exist. That's why we

decided to make our Education Heroes contest a cornerstone of our 50th Anniversary celebrations. Last fall, we invited you to nominate a colleague who has inspired you through their Goodness, Courage and Bravery,

Selflessness, Perseverance, Leadership, or Wisdom, and the response from across the community was truly extraordinary.

Since the close of nominations, our selection committee has been deeply moved by the hundreds of heartfelt and articulate testimonials submitted. Narrowing the list down to just 50 winners was an incredibly difficult task. Every story reflected immense dedication, from the teacher who spends her free time developing extra-curricular activities to preserve the French language and culture, to the educational assistant who spent countless personal hours researching grants to build an inclusive swimming program for autistic, non-verbal students with sensory needs. We read about a custodian who serves as the emotional cornerstone of their school culture, uplifting everyone

they encounter, alongside dozens of other profound examples of daily devotion.

Today, the wait is officially over. We are thrilled to announce the 50 winners of our \$500 Education Heroes awards. You can view the full list of these remarkable individuals on our website at www.educatorsfinancialgroup.ca/50th-anniversary/.

We want to extend our deepest gratitude to everyone who participated in this celebration. Thank you to our winners for the superb example you set, to everyone who took the time to submit a nomination, and to every member of the education community it is our absolute honour to serve.

Peter Van Meerbergen
President and CEO,
Educators Financial Group





Estate planning mistakes that divide families.

Death is hard enough on a family without arguments about who gets what," says **Senior Financial Planner Lisa Raponi, CFP®, RRC®, TEP.** "Major disputes usually stem from three avoidable estate-planning mistakes."

The first mistake is dying without a will, or dying intestate. Without a will, your unique wishes are not considered because they are not legally known. The government disburses your estate according to Ontario's Succession Rule Reform Act, which dictates how much your surviving family will receive. For instance, in a family with two children, your surviving legal spouse is entitled to the first \$350,000, with the remainder split between the spouse and children. There are no exceptions for different arrangements, such as one child needing more support than another, or for a common-law spouse to be recognized as a beneficiary.

The second pitfall is keeping your family or loved ones in the dark. Every year, roughly 3,400 applications to challenge wills are filed in Ontario,² many of which could be avoided through open conversations beforehand. You should also talk to your executor(s) ahead of time because if they reject the responsibility, the courts may have to appoint a trust corporation or professional executor instead.

The third mistake is overcomplicating your strategy simply to dodge probate fees. While joint ownership, trusts, and gifting assets can reduce your estate size, these methods carry complex tax implications and legal risks that should be weighed against standard probate, which costs 1.5% on estate values over \$50,000.

Need help building your estate plan? Talk to an Educators financial advisor today.

Smart financial moves before year end.

For education members, fall brings the familiar rush of a new school year. But amidst the busyness, letting critical financial deadlines slip off your radar can mean missing out on tax savings and government grants.

Before December 31st arrives, make sure you've addressed these time-sensitive steps:

- **Turning 71 this year?** Consider making your final RRSP contribution and wind up or convert the account into a RRIF or annuity before year-end. If you have a younger spouse who may still be eligible to contribute to an RRSP, you may want to consider a spousal RRSP.

- **Saving for your child's or grandchild's education?** Top up your RESP contributions before December 31. Eligible beneficiaries can receive 20% in government grants, up to \$500 (or \$1,000 when catching up) per year and a lifetime maximum of \$7,200.

- **Planning a TFSA withdrawal?** Plan your withdrawal before December 31. Doing so restores that contribution room on January 1, 2027. If you wait until January to withdraw, you won't recover that room until 2028.

Fall is also the ideal time to review your overall portfolio strategy with your advisor, particularly within your non-registered accounts. If your investments in these accounts have dropped below what you paid, selling at a loss can offset capital gains realized earlier in the year. Unused losses can also be carried back three calendar years or carried forward indefinitely.

Conversely, if you hold high-performing investments with significant gains, ask your advisor about deferring those sales, especially if you expect to move into a lower tax bracket next year due to an upcoming retirement or leave.

Don't wait until the late-December scramble. Book a year-end review with your Educators financial advisor today.

Will refinancing save you money?

For years, homeowners have been told that housing shouldn't cost more than 30% of their gross income. But in today's market, is that still possible? Nearly half of Canadian households (45%) that renewed their mortgage recently say that housing now consumes half or more of their household budget.³

"When that much income goes toward a mortgage, obviously there is less income available for other needs such as food, clothing, or emergencies," says **Jessica Dadswell, Educators Principal Broker – Mortgage Advisor.**

One way to alleviate a cash flow pinch is through refinancing, a process that involves replacing your existing mortgage with a new one under adjusted terms. By extending your mortgage amortization over a longer period, such as stretching 15 remaining years back to 20, you reduce your monthly payment to free up immediate monthly cash flow. This strategy is generally permitted if you have at least 20 percent equity in your home.

"However, homeowners need to weigh the advantages against the costs," notes **Jessica.**

Breaking a mortgage early triggers a penalty, and securing a new mortgage can involve home appraisal, title insurance, title search, and legal fees. You'll also need to requalify. For more details on refinancing, visit www.educatorsfinancialgroup.ca/refinancing/.

"When clients come to me stressed about monthly cash flow, we review all of their options," says **Jessica.** Beyond extending your amortization period, refinancing lets you consolidate multiple high-interest debts into a single manageable payment. Alternatively, you can tap into your home equity to fund major upgrades, renovations, or strategic investments.

Still wondering if refinancing is right for you? Call us today to speak to a mortgage advisor.

To learn more about Estate Planning, register for our upcoming webinars in November:
www.educatorsfinancialgroup.ca/webinars/

Have you tried our NEW investment growth calculator? See how your savings can stack up over time:
www.educatorsfinancialgroup.ca/growth-calculator/

Our Mortgage Calculator can show you how much of a mortgage you can afford:
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*Example is for illustrative purposes only. Assumes an initial portfolio value decline from \$240,000 to \$200,000 prior to sale. Capital gain calculations assume a 50% inclusion rate on \$60,000 of accumulated capital gains at an illustrative average tax rate of 20%. OAS clawback assumes a baseline taxable income of \$80,000 rising to \$110,000, resulting in a partial OAS recovery tax based on applicable thresholds. Recovery and growth calculation assumes a 30% market recovery on the liquidated \$200,000 position. Actual tax consequences, benefit impacts, market performance, and investment returns will vary based on individual circumstances.

²<https://financialpost.com/wealth/inheritance-disputes-rise-cost-of-living-climb>

³<https://globalnews.ca/news/12016803/mortgage-renewal-budget/>

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