

# Member News

Fall 2019

## The true value of a financial advisor

Recent reports from the Financial Planning Standards Council show that two-thirds of Canadians (67%) are uncomfortable with their financial future. Perhaps it should come as no surprise that more and more people are wondering what a financial advisor could do for them.

Having a good financial advisor is like having a good doctor. They come in and ask a lot of good questions the first time they meet you. They look at your history, they look at what's ailing you, they ask what keeps you up at night, and they ask about your habits and behaviours. Then, they come up with a plan to keep things good or make them better. And they check in on a regular basis to see if you're still following the plan they helped you set up.

What doctors and financial planners really have in common is this: They know your future wellness depends on taking care of yourself now.

Of course, in money as in health, the right actions can be easier said than done. Events and emotions can threaten even the best laid plans, but that's precisely when an advisor really shines.

For example, most people understand that markets go up and down. If you ask people when they think are the best times to buy and the best times to sell, most will answer correctly: Buy low, sell high. But real life can be more of an emotional rollercoaster for investors. It's easy to lose confidence when markets are low, and tempting to cut losses and sell.

The ability to steer the ship during tumultuous times might be the greatest value of a financial advisor, and it explains why a strong, transparent relationship is so important. The more open the dialogue you have with your advisor, the better the experience will be.

The bottom line is that if you want the future you envision for yourself, you should commit to getting the guidance you need to get there. So if you understand the value of a good doctor, maybe it's time you treated your finances to a checkup.

### Learn more

about our wealth management services and start the conversation today:  
[scu.mb.ca/wealth](https://scu.mb.ca/wealth)

# TFSA successor holder or named beneficiary

## WHAT'S THE DIFFERENCE?



One of the most commonly overlooked considerations regarding a TFSA Designation of Beneficiary is whether or not to designate your spouse or common-law partner as a 'named beneficiary' or 'successor holder'. Understanding the difference between them can seem complicated, but it is quite simple.

### **Named Beneficiary (spouse, or any other person)**

Upon your death, your named beneficiary would receive the funds within the TFSA. However, the account itself would subsequently be closed. Unless your beneficiary had their own TFSA contribution room available, and chose to invest these funds in their personal TFSA, they may otherwise be taxed on any investment gains moving forward. Any investment growth between the date of your death and payout is also subject to tax.

### **Successor holder**

Your TFSA account would be re-named in your surviving spouse's name and would remain intact. It's important to note that only your spouse or common-law partner can be named as a successor holder.

### **Naming a successor holder**

- Upon your death, the transfer of your TFSA to your common-law partner or spouse is seamless – they become the account holder with no tax consequences at all. Even if your common-law partner or spouse has a TFSA of their own, their unused contribution limits are unaffected by the succession.
- Once the change of name on your TFSA account (to your spouse's name) occurs, they would now own two separate TFSAs. Your spouse can choose to keep these accounts separate, or they can be combined into their own existing TFSA. This is called a 'qualifying transfer', and does not affect available TFSA room for your spouse. Either way, the option to combine or keep separate would be up to your surviving spouse and can be done at any time.

It's important to regularly review your beneficiaries to ensure your wishes are recorded and still accurate, particularly if you've undergone any major life changes.

Learn more about our TFSAs: [scu.mb.ca/TFSA](https://scu.mb.ca/TFSA)

*Everyone's saving situation is unique – and there are many strategies that work for different circumstances. The advice in these articles are meant to provide general information only, and does not constitute financial, accounting, tax, legal, or other professional advice. We encourage you to seek personalized advice from qualified professionals regarding your unique savings needs and goals.*

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# Protect yourself from service scams

Many Canadians are being targeted by individuals claiming to offer reduced rates or deals for various services. The two most reported service scams targeting Canadians are the antivirus software scam and credit card interest rate reduction scams.

The scammers involved in the antivirus software scam promise to repair your computer over the internet. This often involves installation of software or giving remote access to your computer, with payment for the service made by credit card.

Scammers use malicious software to capture your personal information such as your passwords, banking information, and more.

The people behind credit card interest rate reduction scams often impersonate financial institutions and claim to negotiate with credit card companies to lower your interest rates. They guarantee they can save you thousands of dollars in interest. The caller will tell you that the lower interest rates are for a limited time only and that you need to act now.

Or, you might receive an automated call, prompting you to "press 1" and provide personal information, such as your date of birth and credit card number. The scammers will use this information to make purchases on your credit card or to access cash advances.



## How to protect yourself

- Remember, only your service provider can offer you a better rate or price for their services.
- Be wary of unsolicited calls from people offering a great deal "for a limited time only".
- Don't give out your credit card number over the phone, unless you made the call and the number came from a trusted source.
- If you receive a phone call from someone you do not know, always ask for the name of the person you are speaking to and who they represent. Verify this information by calling the company yourself.

Learn more about how to protect yourself from fraud. Visit our website: [scu.mb.ca/insights-advice](https://scu.mb.ca/insights-advice)

*Source: Competition Bureau: Little Black Book of Scams, 1st Edition, 2012*

## StudentFLEX™ Line of Credit

### FLEXIBLE FINANCING FOR SMART STUDENTS

We are pleased to introduce our StudentFLEX Line of Credit, a flexible financing option for students pursuing their post-secondary education at an accredited Canadian university or college.

With benefits that include competitive interest rates, no payments needed during the program duration, and a 12-month interest-only payment period after graduation, this will help students enjoy an easy transition from school to work.

Learn more: [scu.mb.ca/student](https://scu.mb.ca/student)





# Get more than a mortgage

Every homeowner is unique. We believe mortgages should be, too. That's why our mortgages are built by people, not formulas. Our lending specialists get to know you before doing the math, and work with you to create a custom solution that suits your needs.

It all starts with a conversation. Call us at **1.800.728.6440**, or visit [scu.mb.ca/mymortgage](http://scu.mb.ca/mymortgage) to see our rates and learn more.

# Summer Event recap

This summer, we were again a co-sponsor for the Taste of Summer Charity BBQ, held in Steinbach. This year, the charity BBQ raised more than \$17,000 in support of local charities.

We also enjoyed a great turnout for our annual free Shred Day event, where the community brought their unwanted documents to shred, free of charge.

Thank you to all who participated in our summer events!

# Russ Fast Retires



Reg Penner, Chair of the SCU Board of Directors, announced that Board Member, Russ Fast, has retired from the SCU Board after 23 and a half years of dedicated service.

Russ has been a passionate advocate for the credit union system, working tirelessly to advance the system overall. In addition to the SCU Board, Russ has served on the Credit Union Central Board of Canada (CUCC) from 2014 until 2016, and the Credit Union Central of Manitoba (CUCM) Board from 1998 until 2019 (CUCM Board Chair 2001-2019).

He was also Chair for the Credential Financial Inc. Board, which he joined in 2008, and served on the CUMIS Group Board beginning in 2001 (CUMIS Board Chair 2007-2010).

"I've tremendously valued my work on the SCU Board. My wife, Dianne, and I are looking forward to spending time with our children and grandchildren," says Russ Fast on his retirement.

"On behalf of the SCU Board, we thank Russ for his many contributions to the Board of Directors. He leaves a lasting legacy on the Board. Through his commitment to service of the credit union system, and his strategic leadership, he has helped shape SCU's direction. As a result of our work together over the past two decades, SCU's Board is poised to continue to serve our members with a strong strategic vision to guide us well into the future," says Board Chair Reg Penner.



**Reg Penner**  
Chairman



**Henry Van de Velde**  
1st Vice-Chair



**Maria Reimer**  
2nd Vice-Chair



**Doris Martens**  
Director



**Robert Dueck**  
Director



**Rob Penner**  
Director



**Bruce Penner**  
Director