



FINANCIAL PLAN
CONFIDENTIAL QUESTIONNAIRE

2014 Edition

INTRODUCTION

Your completion of this questionnaire will enable the preparation of a Financial Plan dealing with tax, investment, retirement, education and estate issues. In preparation for the personal interview, fill in the Net Worth and Cash Flow statements. Bring along with you copies of your last two years tax returns, investment and RRSP statements, pension statements, life insurance policies, and wills. The balance of the information can be filled in at our meeting.

Personal and Family Data

Name: _____ Employer: _____

Address: _____ Title: _____

_____ Address: _____

Date of Birth: _____

Phone #: _____ Phone #: _____

Spouse's Name: _____ Employer: _____

Date of Birth: _____ Title: _____

Address: _____

Phone #: _____

Children:

Name	Date of Birth	Dependent? (Y/N)
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_____	_____	_____
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_____	_____	_____
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_____	_____	_____
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Date of Preparation of Questionnaire _____, 20__.

Record below your assets and liabilities as of _____, 20 _____

Assets:	Client	Partner	Joint
Liquid Assets			
Cash and Bank Accounts	\$ _____	\$ _____	\$ _____
Short-Term Deposits	_____	_____	_____
Canada Savings Bonds	_____	_____	_____
Investment Assets			
Term Deposits and GICs	_____	_____	_____
Fixed Income Mutual Funds	_____	_____	_____
Bonds and Debentures	_____	_____	_____
Equity Mutual Funds	_____	_____	_____
Stocks	_____	_____	_____
Precious Metals	_____	_____	_____
Real Estate	_____	_____	_____
Tax Sheltered Assets			
Tax Free Savings Accounts	_____	_____	_____
Registered Pension Plan	_____	_____	_____
Registered Retirement Savings Plan	_____	_____	_____
Cash Surrender Value of Life Insurance	_____	_____	_____
Personal Assets			
Residence	_____	_____	_____
Recreation Property	_____	_____	_____
Vehicles	_____	_____	_____
Furnishings	_____	_____	_____
Other Personal Assets	_____	_____	_____
Total Assets			\$ _____
Liabilities:			
Short Term Debt			
Credit Card Balance (over 30 days)	\$ _____	\$ _____	\$ _____
Personal Line of Credit	_____	_____	_____
Long Term Debt			
Installment Debt (Car Loans, etc.)	_____	_____	_____
Mortgage on Personal Residence	_____	_____	_____
Loans for Investments	_____	_____	_____
Mortgages on Investment Properties	_____	_____	_____
Total Liabilities			\$ _____
Net Worth (Assets - Liabilities)			\$ _____

Record below your expenses this year and your estimated expenses at retirement.

Housing Costs	Monthly Amount	At Retirement *
Mortgage/Rent	\$_____	\$_____
Property Taxes	_____	_____
Insurance	_____	_____
Utilities	_____	_____
Maintenance	_____	_____
Garden Upkeep	_____	_____
Other	_____	_____
Food, Household, Etc.		
Food	_____	_____
Household	_____	_____
Telephone	_____	_____
Personal Care	_____	_____
Clothing	_____	_____
Other	_____	_____
Transportation		
Car Payments	_____	_____
Insurance	_____	_____
Gasoline	_____	_____
Maintenance	_____	_____
Public Transportation	_____	_____
Other	_____	_____
Discretionary		
Entertainment	_____	_____
Eating Out	_____	_____
Gifts	_____	_____
Fees, Books, etc.	_____	_____
Holidays	_____	_____
Other	_____	_____
Miscellaneous		
Medical Expense	_____	_____
Life & Disability Insurance	_____	_____
Payroll Deductions other than Income Tax	_____	_____
Other	_____	_____
Savings		
Credit Card Payments	_____	_____
Loan Payments	_____	_____
RRSP Contributions	_____	_____
Savings & Investments	_____	_____
Additional Income Taxes	_____	_____
TOTAL LIFESTYLE EXPENDITURES	=====	=====

* Do not attempt to factor inflation into these calculations. We shall build this into the illustrations which we present to you.

EXPLANATIONS FOR QUESTIONNAIRE

Years before Retirement

If you have already retired, this is, of course, zero

Number of years over which savings will be used

The minimum number of years over which your savings (principal and income) will be used to provide funds for retirement should be at least a couple of years greater than your life expectancy at retirement age.

Retirement Age	Life Expectancy in Years	
	Male	Female
60	21	26
65	17	22
70	12	17

Eligibility for Employer Pensions

If you belong to a pension plan and know what your pension will be at retirement, complete the entries in Table 1.

If you do not know what your pension will be, wait for Table 3 and describe the basis for determining the pension benefits.

Eligibility for Government Pensions in Current Dollars.

You can start collecting your Canada or Quebec Pension Plan at any age between 60 and 70. However, the amount of annual pension varies depending upon the age. The maximum age 65 retirement benefit in 2014 is \$12,460.

Age	Maximum Annual Pension	Age	Maximum Annual Pension
60	7,974	66	13,507
61	8,872	67	14,553
62	9,769	68	15,600
63	10,666	69	16,647
64	11,563	70	17,693
65	12,460		

If you have not been employed for most of your adult life, you may not be eligible for the maximum pension. If so, make a note of this matter on the last page of the questionnaire. You should bring a copy of your CPP statement. You can call CPP at 1 (800) 277-9914 to get an up to date statement

The Old Age Security is payable to residents of Canada 65 years of age or over. The maximum annual benefit is about \$6,618.

Current Savings

Your tax sheltered savings include amounts in Tax Free Savings Accounts, Registered Retirement Savings Plans, Deferred Profit Sharing Plans and Registered Retirement Income Funds. Your tax paid capital include any savings which you expect to have available for retirement, less any loans related to these savings.

The Pre-tax Investment Return is an estimate of the amount the capital will earn over the period of years chosen. Guaranteed, interest-paying investments are currently paying about 1% above inflation. Other investments, such as stocks & real estate, can earn higher returns, but at greater risk. A Pre-tax Investment Return of 4% (when inflation is 3%) is conservative (achieved without significant risk) and will provide a "safe" estimate of the retirement funds available.

Reduce the after-tax investment return by a percentage to take into account the taxes which will be paid on the pre-tax investment return. If all investment income is fully taxable at top marginal rates, a 39% tax rate is reasonable. If the income will be exempt from tax or in the form of dividends or capital gains, much lower rates will apply.

Lifestyle Expenditures

Over the past 50 years, the inflation rate has been about 3% in Canada. Accordingly, inflation expected of 3% is reasonable.

After retirement, you will probably not experience the same inflation because of reduced needs for certain purchases. Inflation protection of 70 to 80% of the CPI is adequate for many people. You can also specify that the inflation protection be further reduced after a more advanced age.

Record below, the basic information required to prepare retirement income projections.

	Client	Partner
Date of Birth	_____	_____
Years before retirement	_____	_____
Number of years over which your savings will be used to provide funds for retirement (usually to age 90)	_____	_____

Eligibility for Employer Pensions

Date at which pension payments commence	_____	_____
Annual pension income at that time	\$ _____	\$ _____
Bridging supplement to age 65	\$ _____	\$ _____
Indexation of pension income	_____ %	_____ %
Survivor's benefit	_____ %	_____ %

Additional Employer Pensions

Date at which pension payments commence	_____	_____
Annual pension income at that time	\$ _____	\$ _____
Bridging supplement to age 65	\$ _____	\$ _____
Indexation of pension income	_____ %	_____ %
Survivor's benefit	_____ %	_____ %

Government Pensions in Current Dollars

Date at which CPP payments commence	_____	_____
CPP retirement benefits at that time	\$ _____	\$ _____
Old Age Security	\$ _____	\$ _____

Current Savings

Tax-sheltered savings in TFSAs, etc.	\$ _____	\$ _____
Investment return on TFSAs, etc.	_____ %	_____ %
TFSAs contribution room for current year	\$ _____	\$ _____
Survivor's benefit	_____ %	_____ %

Tax-sheltered Savings in RRSPs, etc.	\$ _____	\$ _____
Investment return on RRSPs, etc.	_____ %	_____ %
RRSP contribution room for current year	\$ _____	\$ _____
Survivor's benefit	_____ %	_____ %

Tax Paid Capital	\$ _____	\$ _____
After-tax investment return until retirement	_____ %	_____ %
Taxable investment return after retirement	_____ %	_____ %
Non-taxable investment return after retirement	_____ %	_____ %
Survivor's benefit	_____ %	_____ %

Current earned income before tax	\$ _____	\$ _____
Annual increase in income expected	_____ %	_____ %

Record below, the basic information required to calculate the % of income to save.

Lifestyle Expenditures

At retirement and in current dollars \$ _____

Annual Rate of:

Inflation expected (Consumer Price Index) _____%

Inflation protection during retirement _____%

When you turn age _____
 reduce the inflation protection to _____%

When you turn age _____
 change the amount of lifestyle expenditures by \$ _____

EXPLANATION FOR DEFINED BENEFIT PENSION PLANS

Defined-benefit pensions are quite complex. The information should be available from your employer. If you have a benefit booklet describing the pension simply attach it to the questionnaire. If you can easily complete this part of the questionnaire, do so. If not, leave it to your planner.

Current Pensionable Earnings (PE)

Pensionable earnings are those included in determining pension income at retirement. They may or may not include bonuses, overtime and taxable benefits.

Yearly Maximum Pensionable Earnings (YMPE)

The YMPE is the maximum employment earnings on which the Canada Pension Plan and Quebec Pension Plan are based.

Record below the information required to calculate the retirement benefit and pension adjustments for any **Defined Benefit Pension Plans** you may be a member of.

	Client	Partner
Current Pensionable Earnings (PE)	\$ _____	\$ _____
Annual increase in PE expected	_____%	_____%
Years of service expected at retirement	_____	_____
Age at which pension payments commence	_____	_____
Indexation of annual pension income (if any)	_____%	_____%
% of pensionable earnings per year of service		
For earnings below the YMPE	_____%	_____%
For earnings above the YMPE	_____%	_____%
Number of years averaged for final PE	_____	_____
Number of years averaged for final YMPE	_____	_____

Please indicate any reductions in pension for survivor's benefits or early retirement.

EXPLANATION FOR DEFINED CONTRIBUTION PENSION PLANS

The information should be available from your employer. If you have a benefit booklet describing the pension simply attach it to the questionnaire. If you can easily complete this part of the questionnaire, do so. If not, leave it to your planner.

Current Pensionable Earnings (PE)

Pensionable earnings are those included in determining pension income at retirement. They may or may not include bonuses, overtime and taxable benefits.

Contribution Rate

This is the combined rate for you and your employer. Some plans increase the employer's contribution rate as you get older. If so, you can specify the age at which the contribution rate changes.

Reduction in Contribution Rate

Under some plans, the contribution rate is reduced for earnings up to the YMPE because both you and your employer contribute to the Canada (or Quebec) Pension Plan.

Options

Upon retirement you may purchase an annuity (pension income) or transfer the savings to a Locked-In Retirement Account. Your employer should have information on these two options.

If you are a member of a **Defined Contribution Pension Plan** (also known as money purchase plan), record below the information required to calculate the retirement benefit and pension adjustments.

	Client	Partner
Current Pensionable Earnings (PE)	\$ _____	\$ _____
Annual increase in PE expected	_____ %	_____ %
Age at which to retire from plan membership	_____	_____
Current combined contribution rate	_____ %	_____ %
When employee reaches age _____	_____ %	_____ %
change the contribution rate to _____	_____ %	_____ %
When employee reaches age _____	_____ %	_____ %
change the contribution rate to _____	_____ %	_____ %
Reduction in the contribution rate for PE up to the YMPE (if any)	_____ %	_____ %
Current savings in defined contribution plan	\$ _____	\$ _____
Investment return on the savings	_____ %	_____ %
Option 1 - Purchase an annuity		
Age at which annuity payment will begin	_____	_____
Option 2 - Transfer to a Locked - In Retirement Account		
Age at which to transfer the pension savings	_____	_____

EXPLANATION FOR LOCKED IN RETIREMENT ACCOUNTS

Locked In Retirement Accounts (LIRA) and Life Income Funds (LIF) have certain restrictions that limit the amount of money that can be removed each year.

Age at which to annuitize

At any age, you can convert the funds in a LIF into a life annuity. The number of years over which to amortize the savings is the life expectancy in years for you and your spouse. The current life expectancy for an 80-year-old male is 7 years and an 80-year-old female is 9 years. You are not required to ever purchase an annuity with your LIF.

If you have funds in a **Locked In Retirement Account**, record the details below.

	Client	Partner
Current savings in LIRAs, LIFs and LRIFs	\$ _____	\$ _____
Investment return on these savings	_____ %	_____ %
Option 1 - Purchase an annuity		
Age at which annuity payment will begin	_____	_____
Option 2 - Transfer to a Life Income Fund		
Interest rate for maximum withdrawal (CANSIM)	_____ %	_____ %
Age at which to start maximum withdrawal (if any)	_____	_____
Age at which to annuitize (if ever)	_____	_____
Number of years over which to amortize savings	_____	_____
Annual indexation of annuity payments (if any)	_____ %	_____ %

EXPLANATION FOR EDUCATION SAVINGS

The cost of education is getting quite expensive especially if your son or daughter leaves home to attend college or university. There are many variables that determine the cost of education, including the institution attended, how much travel is involved and the nature of the curriculum. In Alberta, university tuition and fees range between \$5,000 and \$6,000. Room and board may cost \$7,500 to \$10,000. Books travel and spending money may add \$1,500 to \$3,000 to the cost.

What is your goal?

Do you plan to provide the full amount of your child's education? Do you feel that they should also contribute to their education? Will your children receive any scholarships? Identify the amount that you want to contribute towards each child's education cost.

For each child, record below, the basic information about timing and costs of education.

Name	Years before College University	Years of College University	Annual Cost in Today's Dollars	Any Funds Currently Set Aside
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Record below your income and the assumptions about inflation, increase in income and investment return.

Current annual income \$ _____

Annual Rate of

Salary increases	_____ %
Inflation of education costs	_____ %
After-tax investment return	_____ %

EXPLANATION FOR LIFE INSURANCE NEEDS ANALYSIS

The current annual after-tax income required for each of your financial dependents can probably be estimated as a proportion of your basic lifestyle expenditures for the family.

If you contribute to the Canada (or Quebec) Pension Plan (CPP or QPP), each of your dependents should be eligible for a survivor's benefit subject to various eligibility criteria. This benefit will provide a portion of the after-tax income. The maximum CPP benefit (in 2014) is about \$6,800 for a surviving spouse and \$2,800 for an orphan child.

If you specify in your will that the capital to provide the after-tax income be left in the name of your dependent, he or she will be taxed personally on the income. Otherwise, it will be taxed to whoever is designated as the beneficiary, frequently the spouse. The average tax rate which will be paid on the investment income, if it is fully taxable, can be estimated from the following table:

After-Tax Income \$	Approximate Average Federal & Alberta Tax Rate
0 - 8,000	0 %
8,000 - 15,000	5 %
15,000 - 30,000	14 %
30,000 - 40,000	17 %
40,000 - 60,000	21 %
60,000 - 80,000	24 %
80,000 - 100,000	27 %

If the income will be in the form of dividends or capital gains, lower rates will apply. However, it gets complicated. If in doubt, use the conservative (higher) rate in the above table.

The number of years is the period of time for which the income will be required. For a child, it usually would be until the completion of school and entry to the job market. For a non-working spouse, it might be age 65 or later, if other sources of retirement income are not available.

Inflation will increase the amount of annual after-tax income required. Over the past 50 years, the inflation rate has averaged about 3% in Canada. The amounts of annual after-tax income will be increased each year by the percentage you specify as Protection Against Inflation. Because the CPP or QPP are indexed by the Consumer Price Index, these will also be increased by this percentage.

The Pre-tax Investment Return is an estimate of the amount the capital will earn over the period of years chosen. Guaranteed, interest-paying investments are currently paying about 2% above inflation. Other investments, such as stocks & real estate, can earn higher returns, but at greater risk. A Pre-tax Investment Return of 4% is conservative (achieved without significant risk) and will provide a "safe" estimate of the capital required.

In addition to the capital required to provide income for you dependents, they may require other amounts of capital.

You can exclude any after-tax income required to pay the mortgage and include the amount of the mortgage to be paid off.

You should allow \$10,000 - \$15,000 for final expenses plus whatever other amounts your personal financial situation requires, such as for repayment of debt.

Your investment assets are the amounts you have saved which could be used to provide funds and income to support your dependents. Your net investment assets would be this amount reduced by any money borrowed to purchase your investment assets.

For each financial dependent, record below, the annual after-tax income required, the amount which would be paid by CPP/QPP as a survivor's benefit, the beneficiary's average tax rate and the number of years the income will be required. Next, record the protection against inflation and the pre-tax investment return the beneficiaries could expect. Lastly, record the other amounts which would be required, current life insurance, and current investment assets which could be used to provide income.

Incomes Required on the death of Client

Name of Beneficiary	Annual After-Tax Income \$	CPP/QPP Survivors' Benefits \$	Beneficiary's Average Tax Rate %	Number of Years (Maximum 50)
_____	_____	_____	_____ %	_____
_____	_____	_____	_____ %	_____
_____	_____	_____	_____ %	_____
_____	_____	_____	_____ %	_____
_____	_____	_____	_____ %	_____
_____	_____	_____	_____ %	_____

Annual Rate of

Protection against inflation _____ %
 Pre-tax investment return _____ %

Other Capital Required

To pay off mortgage \$ _____
 For final expenses _____
 Other capital needs _____

Capital Available

Current insurance coverage \$ _____
 Net investment assets _____

For each financial dependent, record below, the annual after-tax income required, the amount which would be paid by CPP/QPP as a survivor's benefit, the beneficiary's average tax rate and the number of years the income will be required. Next, record the protection against inflation and the pre-tax investment return the beneficiaries could expect. Lastly, record the other amounts which would be required, current life insurance, and current investment assets which could be used to provide income.

Incomes Required on the death of Partner

Name of Beneficiary	Annual After-Tax Income \$	CPP/QPP Survivors' Benefits \$	Beneficiary's Average Tax Rate %	Number of Years (Maximum 50)
_____	_____	_____	_____ %	_____
_____	_____	_____	_____ %	_____
_____	_____	_____	_____ %	_____
_____	_____	_____	_____ %	_____
_____	_____	_____	_____ %	_____
_____	_____	_____	_____ %	_____

Annual Rate of

Protection against inflation _____ %
 Pre-tax investment return _____ %

Other Capital Required

To pay off mortgage \$ _____
 For final expenses _____
 Other capital needs _____

Capital Available

Current insurance coverage \$ _____
 Net investment assets _____

Please record below the answers to these estate planning questions to help determine if your current will reflects your wishes.

Who do you want to inherit your estate? Who are your beneficiaries?

Do you have any special possessions (such as jewelry, antiques etc.) that you want to go to somebody in particular?

Do you want to leave any money to charity? If so which charities?

Who do you want to inherit your estate if both you and your spouse die? These are your "contingent beneficiaries".

If you have young children, who do you want to look after them until they are grown up. Who do you want to look after their portion of the estate? Under what conditions and when do you want them to get money from the estate?

If you have older children with unstable marriages, do you want to make sure that your estate does not end up in the hands of an "outlaw" (estranged spouse of your child)?

If you have a farm, business or real estate, how do you want these taken care of? Do you want them sold and the money divided? Do you want them passed on to your beneficiaries, if so in what proportion?

What do you want if one of your beneficiaries dies before you do? If your child dies before you, do you want their share to go to their children (your grand children) or split between your children still living?

Do you have any special funeral arrangements that you want followed?

Who will be your executor, the person that carries out your wishes for the estate?

Who will be your trustee, if different from the executor?
