



## Preparing For The Unexpected

**Client name:**

**Date:**



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## Introduction

I'm Trixie Rowein – a portfolio manager who provides clients with financial advice and guidance. I am also the founder of the PAX Portfolio Advisory team of Raymond James Ltd. Our team specializes in working with clients who are experiencing a life change that is impacting their family and finances, such as the loss of a spouse (through death or divorce), retirement, dementia, inheritance, and more.

“PAX” is Latin for peace and it is our intention to bring you peace of mind. This document will help you organize your financial inventory and help prepare you for the unexpected, which is the first step towards peace of mind.

In 2014, I went through a very challenging divorce while managing the best interests of my two daughters (then ages 6 and 9), and my clients, while also preparing for the retirement transition of my business partner. Even though I was prepared financially for the ensuing changes, the emotional aspect of decision making was not made any easier. The divorce affected my income, expenses, retirement planning, where I lived, and so much more.

My goal is to alleviate the financial worries and anxieties you may experience when losing a spouse (through death or divorce) so that you can make smart decisions for you and your family. If you have any questions at all about the content of this document – or anything else related to your finances – I'd be delighted to speak with you.

You can reach me at [trixie.rowein@raymondjames.ca](mailto:trixie.rowein@raymondjames.ca) or 780-414-2520.

Wishing you the best,

**Trixie Rowein**

## DID YOU KNOW?



97%

Of widowed women feel insecure/concerned about financial matters on some level.<sup>1</sup>



56

The average age of widowhood in Canada.<sup>2</sup>



38%

Of all marriages in Canada will end in divorce.<sup>3</sup>



90%

Of women will become single during their adult lifetime by divorce or widowhood, meaning 90% of women will manage their finances alone at some point.<sup>4</sup>

<sup>1</sup> \* Rehl, Kathleen M. PhD, CFP, CeFT. Moor, Carolyn C. Leitz, Linda Y. Grable, John E. (2016, January) Widows'Voices: The Value of Financial Planning. *Journal of Financial Services Professionals*

<sup>2</sup> Census Canada Data

<sup>3</sup> M.J. O'Nions family law office, Vancouver, BC

<sup>4</sup> Kerry Hannon, *Suddenly Single*, (New York: John Wiley & Sons, Inc., 1998).

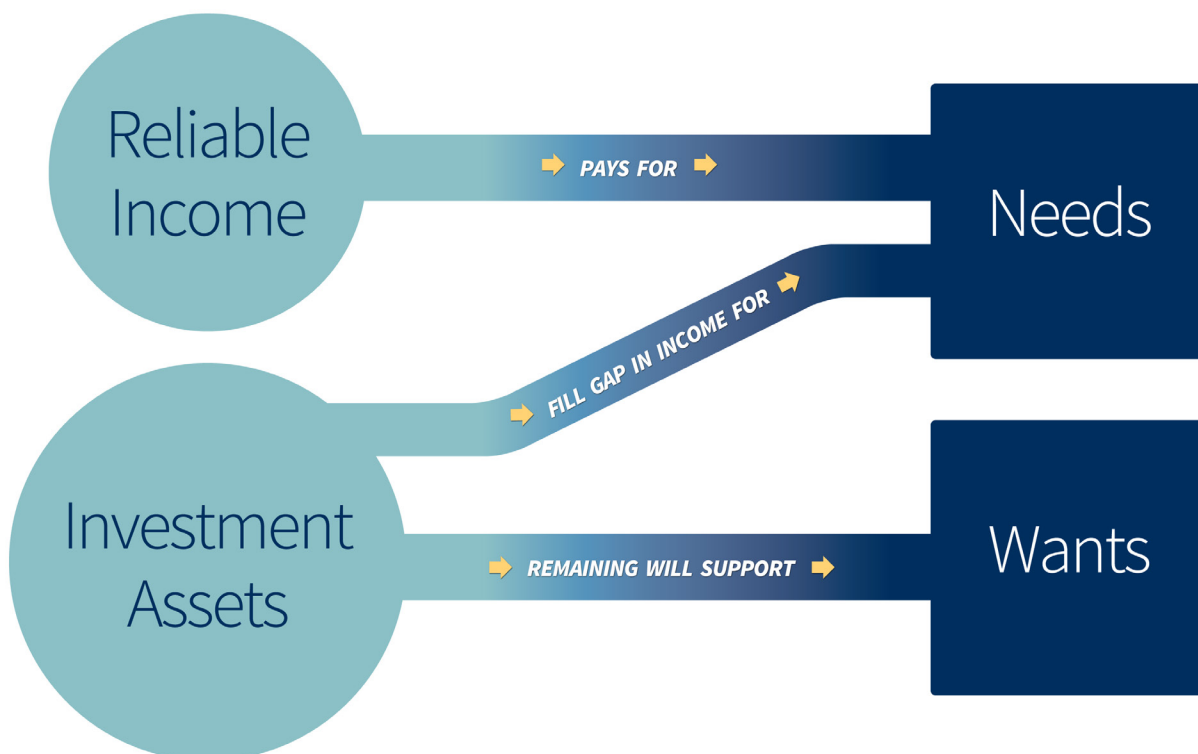


If your spouse handled the family finances and investments, it may feel ‘intimidating’ to try to get a picture in your head of all these accounts, investments and other assets.

The first step is to put your financial picture into perspective by taking a financial inventory:

- List reliable sources of income, such as employment income, rental income, Canada Pension Plan, Old Age Security benefits, defined benefit pension payments and other sources of income. If getting divorced, estimate child support and/or spousal support.
- Determine your needs (*expenses you must meet in order to live*).
- Identify your wants (*expenses that are non-essential, but ideal for you to live comfortably*).
- Take inventory of your financial assets (*RRSPs, TFSAs, GICs, brokerage accounts, etc.*), as well as other assets (*your home, business, collectibles, etc.*).
- Take inventory of your liabilities (*mortgages, lines of credit, car loans, credit card balances, etc.*).

By working with an experienced financial advisor, you will gain a clear understanding of your total financial picture and understand your income needs.



## YOUR CASH FLOW WORKSHEET

### Monthly Sources of Income

Employment Income	\$
Self-Employment Income	\$
Rental Income	\$
Canada Pension Plan	\$
Old Age Security Benefits	\$
Employer Pension	\$
Child Support/ Spousal Support (if any)	\$
Other Income	\$
<b>Total Monthly Income</b>	<b>\$</b>

### Monthly Expenses (Needs) – These are expenses you can't live without

Mortgage/Rent	\$
Property Tax	\$
Condo Fees	\$
Homeowners Insurance	\$
Utilities (Electricity, Heat, Cable, Internet)	\$
Cell Phone	\$
Home Maintenance & Furniture	\$
Car Insurance & Monthly Car Loan Payments	\$
Car Maintenance, Registration & Gas	\$
Groceries	\$
Personal (Clothing, Hair, Toiletries)	\$
Dependent Children ( School Fees, Supplies, Clothing, Gifts)	\$
Pet Care	\$
Insurance (Life, Critical Illness, Disability, Dental)	\$
Regular Savings (RESP, RRSP, TFSA, etc.)	\$
Other	\$
<b>Total Monthly Expenses (Needs)</b>	<b>\$</b>



**Monthly Expenses (Wants)** – These are expenses you can live without during a transition

Entertainment & Eating Out	\$
Subscriptions & Memberships (Netflix, Gym, etc.)	\$
Charitable Donations	\$
Gifts	\$
Travel	\$
Other	\$
<b>Total Monthly Expenses (Wants)</b>	\$
<b>Total Expenses (Needs + Wants)</b>	\$
<b>Surplus or Deficit</b> (Income-Total Expenses)	\$



# YOUR FINANCIAL INVENTORY WORKSHEET

<b>Assets (Liquid) – Items or investments you own that can be quickly sold</b>	
Chequing Accounts	\$
Savings Accounts	\$
GICs	\$
TFSAs	\$
RRSPs/RRIFs*	\$
LIRA (Locked in Retirement Plan)/ LIF*	\$
Group Sponsored RRSP*	\$
Non-Registered Investment Accounts#	\$
Other Liquid Assets	\$
<b>Total Assets (Liquid)</b>	<b>\$</b>
<b>Assets (Liquid) – Items or investments you own that can be quickly sold</b>	
Primary Residence	\$
Vacation Home#	\$
Rental Home or Investment Property	\$
Vehicles, RV's, Quads, Boats	\$
Art, Antiques, Jewelry, Collectibles	\$
Business Interest	\$
Other	\$
<b>Total Assets (Fixed)</b>	<b>\$</b>
<b>Total Assets (Liquid Assets + Fixed Assets)</b>	<b>\$</b>
<b>Liabilities - What you owe</b>	
Mortgage	\$
Line of Credit	\$
Credit Card Debt	\$
Loans (Auto, Student, Investment, etc.)	\$
Business Loan	\$
Other	\$
<b>Total Liabilities</b>	<b>\$</b>
<b>Total Net Worth (Total Assets-Total Liabilities)</b>	<b>\$</b>

If you owe more than you own and/or your total expenses are greater than your income, then changes will be required. Please look at the bottom of the next page for ideas to consider.

Please know that if you are in the grieving or anger stage, the likelihood of making smart decisions is impacted. We encourage you to reach out to trusted friends and professionals for guidance.

\*Consult a financial advisor or accountant as withdrawing funds from a RRSP or LIRA will trigger tax consequences.  
#Selling your non-registered investments or a vacation home may trigger capital gains.

## What will your new life look like?

Use this space to list the things you'd like to do or have in the future. It will help you envision – and create – the life you want so you can plan your finances accordingly. If this feels overwhelming right now, it's likely too soon for you. Come back to it when the fog has lifted and you're ready to look ahead.

**TIP** - Don't make irreversible financial decisions until you've had a chance to adjust to your new status. For example, some people rush to pay off their mortgage, only to realize later that the house is too large or they can't afford the taxes and upkeep. Others feel pressured to move closer to family members, only to discover that they miss their former life.

Where will you live? Condo, house, apartment, with family? Write pros and cons of options.

Lifestyle – What things will you be doing and with whom? E.g., join a support group?

Family & Friends – How will you maintain these relationships?

Cash Flow Management - If your income is not enough to cover your expenses or you don't have enough to fund your future, consider using any of these options alone or in combination.

### Alter Spending

Change annual spending to:

\$

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### Save Monthly

Increase your monthly savings by:

\$

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### Increase Income

Get part time work/ Sell some assets/  
Downsize

\$

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## Document Checklist – Death of a spouse

Below is a list of documents you'll need to gather in the weeks and months following your partner's passing. Use it to ensure you're not forgetting anything and also to ensure you are not worried about things that can (or should) wait until a little farther down the road. We encourage you to reach out to professionals for guidance.

### First 60 days

- Death certificate (multiple copies)
- Passport
- Death notification letters
- Marriage certificate
- Will and trust documents
- Life insurance documents
- Bill payments and other financial obligations

### 6 months to 1 year

- Health insurance policy documents
- Property insurance policy documents
- Business buy/sell or partnership agreement documents
- Prior year's tax returns
- Motor vehicle title papers
- Loans outstanding
- Mortgage documents
- Real estate deeds or other titles of ownership
- Property tax records
- Rental and/or lease agreements
- Bank account and credit card statements
- Investment account statements
- Insurance and annuity statements



# Post-Divorce To Do List

## 1. **Cancel/Suspend Joint Accounts**

If you haven't already done so, cancel and close all joint accounts you have with your ex-spouse immediately. Joint accounts that remain open are liabilities that could come back to haunt you. The last thing you need is to be on the hook after your ex-spouse runs up charges on credit cards or overdrafts a bank account. If there's a balance on an account that you can't pay off immediately (credit-card charges, for example), instruct the bank or credit-card company that you want to suspend the account and not allow any future charges. Confirm that the account cannot be re-opened or unsuspended.

## 2. **Open New Accounts**

Depending on the situation, it may make sense to apply for new credit cards before you cancel joint accounts. If you have marginal credit and do not have an emergency reserve of cash, getting access to a credit card should be a priority.

## 3. **Change Beneficiaries & Create a New Estate Plan**

Changing the beneficiaries on your accounts is extremely important. If you fail to do this, your ex-spouse could end up with your retirement and other assets when you pass away. Changing beneficiary designations is an easy process that can usually be done with a simple form.

There's no better time to think about your estate plan than after a big life event like divorce. If you have children, you may need to update your will. Even if you don't have children, there are many estate-planning issues to consider. Update or create a power of attorney for healthcare and finances, a living will, and other documents.

## 4. **Update Your Personal Insurance Coverage**

Contact your insurance broker and update your automobile, homeowner's, and umbrella liability coverage. Pay particular attention to the list of assets you scheduled on your homeowner's policy: it may list jewelry, collectibles, artwork, and other valuables your spouse received in the divorce settlement. There is no sense in paying insurance premiums for assets you no longer own.

## 5. **Retitle Assets in Your Name**

Post-divorce, there may be many assets that need to be retitled. For example, if you owned your house with your spouse but received it in the divorce settlement, you should retitle the house in your name.

## 6. **Strip Your Computer of Valuable Information**

If you shared a computer with your ex-spouse but are not taking it with you, use a program such as Eraser or Permanent Eraser (for Mac) to destroy personal files and be sure to delete personal information from Internet browsers.

## 7. **Create a New Cash Flow Worksheet & Work with a Financial Advisor**

Until you have a better handle on your new living expenses, live frugally – especially if you're used to having two incomes. List your income sources (e.g., work, spousal and/or child support, investments) and list your expenses, as some may be new. Use this workbook to help you with that task.

**TIP** – pay attention to how much you spend on wants (non-essentials).

# Death of Spouse To Do List

## 1. Gather Legal and Financial Documents

This will give a better sense of where you stand financially, including: wills, trusts and powers of attorney; mortgage and car title; tax returns; bank, loan and credit card statements; safe deposit box contents; insurance plans; and income sources. Use the worksheets included here.

## 2. Compile Outstanding Bills & Monitor Due Dates

To avoid late charges or penalties on utilities; mortgage/rent; health, auto and homeowners insurance premiums; car, student and personal loans; and credit cards.

**TIP** –automate bill payments to your credit card or bank account to simplify your life.

## 3. Unpaid Salary, Benefits, Life Insurance and Retirement Accounts

If your spouse was still working, contact his or her employer regarding unpaid salary, benefits, life insurance and retirement accounts. This is particularly important if you are covered under your spouse's group benefits plan.

## 4. Change Joint Accounts to Sole Ownership

Contact companies where you have joint accounts and convert them to your name only. Also, close any accounts that were in your spouse's name only.

## 5. Inform Government Agencies

Such as Canada Revenue Agency (CRA) and Service Canada, about your spouse's death and if there are any necessary documents that must be submitted on your spouse's behalf, including a final tax return. For more information about this and other CRA requirements, please refer to: <http://www.cra-arc.gc.ca/tx/ndvdl/lf-vnts/dth/menu-eng.html>

If your spouse made contributions to the Canada Pension Plan (CPP), you may be entitled to receive Canada Pension Plan survivor benefits. For more information on this, please visit <http://www.servicecanada.gc.ca/eng/isp/cpp/survivor.shtml#requirements>.

## 6. Death Benefits

If your spouse's death was accidental or sudden, there may be additional benefits attached to home, auto or health insurance policies. It may be worth the extra research.

## 7. Update Legal Documents & Create New Estate Plan

Rewrite your will and other documents that outline how you'd like your financial and health matters handled if you die, become disabled or seriously ill.

## 8. Create a New Cash Flow Worksheet & Work with a Financial Advisor

Until you have a better handle on your new living expenses, live frugally – especially if you're used to having two incomes. List your income sources (e.g., work, pension, investments) and list your new expenses. Track your expenses, especially how much you spend on non-essentials. Use this workbook to help you with that task.

Finally, consider hiring a financial adviser to help ensure your financial assets are taken care of for the future.

## Tips To Protect Yourself

### 1. Get comfortable with money

Money is power in today's society and it is an important life skill, whether you are in a marriage, divorced or widowed, to be able to set up a workable budget and manage your money.

### 2. Don't rush into any major decisions

You need to heal so that you can make decisions from a place of strength and empowerment.

### 3. Make sure you exercise self-care

If you don't take care of yourself, no one else will, and if you have children, you are not doing them any favours by running yourself into the ground. It's okay to ask for help. Consider joining a support group.

## We Are Comitted To Helping You

### *There's a Better Path – Our Commitment to You*

Our core philosophy is this: The future is always uncertain. The smartest approach to that uncertainty is to focus on what you can control and get organized. We welcome the opportunity to help you with this workbook and to review your personal situation.

Our commitment to you is a lasting relationship that will be built on trust and transparency to help you meet your goals and objectives.

We promise to provide consistent communication and updates throughout our entire relationship so you feel a peace of mind. With this approach, we guide every family we deal with, providing a constant level of care.

Wishing you clarity and confidence to get through the uncertainties of the future!

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