

# ***Making Cents* Guide For Adults**



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## ***Making Cents* of important money management information**

***~Revelstoke Financial Literacy Project ~***

Welcome to our *Making Cents* Guide for Adults! Our hope is that this guide will give you some helpful financial information. It provides tips, tools, and suggestions.

There are other directories and guides available that you might also find helpful. Here are a few that you may want to check out. Copies can be found online at:

<http://www.welcometorevelstoke.org/community-resources/>

- **Directory of Social Services for Revelstoke and Area** - current information and contacts
- **Revelstoke Newcomer's Guide & website** ([www.welcometorevelstoke.org](http://www.welcometorevelstoke.org)) All about Revelstoke – a local guide for newcomers
- **Revelstoke Literacy Directory** - learning opportunities for everyone
- **Revelstoke Survival Guide** - a guide for youth and young people



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Information provided in this guide is intended to be general in nature and does not constitute financial advice. Financial information changes quickly and can change without notice.

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## Contents

## Income Tax

It is important to file an income tax return each year, so that you receive all of the government benefits you are entitled to. Filing your income tax return can give you access to programs that may put money in your pocket. An income tax return should be filed every year even if you have little or no income.

There are some great ways that you can save on your taxes by knowing a few of the deductions and credits that are available.

A **tax deduction** is a cost that *reduces your taxable income*. For example, if your income is \$50,000 and you have a tax deduction for \$10,000, then your taxable income is now \$40,000.

A **tax credit** is different in that it is a specific amount of money that is deducted from the amount of tax you owe – not from the amount of income you earn.

Some possible tax credits/deductions are:

- GST sales tax credit
- Working Income tax credit (WITB)
- B.C. Early Childhood tax benefit
- Low Income Climate Action tax credit
- Disability tax credit
- Medical Expense Tax Credit
- Training Tax Credit
- Moving Expenses
- Employment Expenses
- Care-giver amount



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### Some Reasons to File Your Income Tax:

Here are some examples of benefits you may be eligible for if you file an income tax return:

- GST credit payments.
- Canada Pension Plan Disability Benefits.
- Disability Benefits (veterans).
- Employment Insurance Compassionate Care Benefits.
- Provincial Medical Premium Assistance Program.
- Subsidized Housing.
- Bus Pass Program.
- Travel Assistance Program.

# Income Tax

Note that these programs and amounts can change. Visit or call the Canada Revenue Agency for up to date information.

Call **1-800-959-8281**

**1-800-267-6999** is the Tax Information Phone Service which is an automated phone service that provide tax information.

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltn/menue-eng.html>

There are a couple of low cost ways to file your taxes.



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## The Volunteer Community Tax Program

The Community Volunteer Income Tax Program can do your Income Tax for you if you need help. This service is **free** to lower income individuals and households. Volunteers will help you with Sales Tax Credits, Student Credits, Child Credits and Benefits, Refunds, and more.

For more information about the Volunteer Community Tax Program contact **Jane McNab at 250-837-5910**.

## On-line software

There are trustworthy tax filing software companies that are either low cost or free. If you are comfortable using a computer and have an internet connection this may be the option for you.

For a list of CRA approved NETFILE software and eligibility terms go to:  
<http://www.cra-arc.gc.ca/esrvc-srvce/tx/ndvdl/netfile-impotnet/menue-eng.html>

**Note:** If you are using a professional Income Tax service make sure they are applying for eligible benefits on your behalf.

## Disability Benefits

There can be a major financial impact of living with a disability. You may qualify for programs to help supplement your other sources of income if you are living with a disability.

### Canada Pension Plan (CPP) Disability Benefit

The Canada Pension Plan Disability benefit is a monthly benefit that is payable to eligible applicants who have severe and prolonged disabilities that prevent them from working at any job on a regular basis.

To qualify for the CPP Disability Benefit, you must:

- Be between 18 and 65 years of age.
- Have earned a specified minimum amount and made contributions to Canada Pension Plan (CPP) while working for a minimum number of years.
- meet the CPP's definition of having a disability.

Note: The application process for benefits can take time. Start investigating your options as soon as possible to minimize financial difficulties.

You must have made contributions to CPP in four out of the last six years before you became disabled, or if you have made contributions to CPP for at least 25 years, you can meet the minimum qualifying period with contributions in three out of the last six years before you became unable to work because of a disability.

A doctor will need to fill out the medical report portion of the application. The government will pay your doctor a certain amount to complete the medical report for you.

Contact **Service Canada** at:  
**1-800-277-9914.**

For more information on the CPP Disability Benefits go to the following link:

[www.fcac-acfc.gc.ca/Eng/forConsumers/lifeEvents/livingDisability/Pages/Canadape-Prestati.aspx](http://www.fcac-acfc.gc.ca/Eng/forConsumers/lifeEvents/livingDisability/Pages/Canadape-Prestati.aspx)



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## Veterans' Benefits

Veterans and their families may be eligible for a variety of services and benefits from Veteran Affairs Canada. These include disability pensions for veterans injured during service, an allowance for low-income veterans and their families, and other support for families and survivors.

For more information about Veterans' Benefits programs, please go to the following categories on the Veteran Affairs Canada website:

[Services and Benefits](#) from Veteran Affairs Canada

[Information for Families and Survivors](#) from Veteran Affairs Canada

[Disability Benefits - Disability Pension](#) from Veteran Affairs Canada

[War Veterans Allowance \(WVA\)](#) from Veteran Affairs Canada

**Call**  
**1-800-522-2121**  
**Monday to Friday 8:30-4:30**

**Or visit:** <http://www.veterans.gc.ca/eng>



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Contact the Revelstoke Legion for information and assistance regarding programs like the Veterans' Independence Program and War Veterans' pensions.

Call 250-837-6020.

Hours available 9 am – 12 noon Monday to Friday.



## British Columbia Disability Assistance

B.C. Employment and Assistance for Persons with Disabilities provides assistance and supplements to provide greater independence for people with disabilities, including security of income, enhanced well-being, and participation in the community.

To be eligible for disability assistance, a person must meet the criteria for the Persons with Disabilities (PWD) designation.

To obtain an application form you can contact:

**Revelstoke (Service BC)**  
1123 Second St West  
Revelstoke BC V0E 2S0

You can apply online using the following link:

<https://www.iaselfserve.gov.bc.ca/HomePage.aspx>



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Assistance to people with disabilities is subject to both income and asset eligibility criteria, and the payment of assistance is based on an individual's ongoing financial eligibility.

### Registered Disability Savings Plan (RDSP)

This is a savings program for people with disabilities that are under the age of 60. If you receive the Disability Tax Credit, you can open a Registered Disability Savings Plan (RDSP).

### Canada Disability Savings Bond

The government will also pay up to \$1,000 to low income and modest income Canadians, with a lifetime limit of \$20,000. This will be paid into the RDSP until the year the beneficiary turns 49.

### Canada Disability Savings Grant

The government will match your deposits, up to a maximum of \$3,500 per year, up to a lifetime maximum of \$70,000 depending on your family income. This will be paid into the RDSP until the year the beneficiary turns 49.

**Application and Question:** Contact your bank, credit union.

Contact 1 800 O Canada (1-800-622-6232), or TTY 1-800-926-9105  
or [www.disabilitysavings.gc.ca](http://www.disabilitysavings.gc.ca)



# Medical Benefits

## Medical Services Plan-Premium Assistance

**Note:** An income tax return must be filed to receive medical assistance.

The Regular Premium Assistance Program helps B.C. residents with the cost of premiums based on their income level. To apply for Regular Premium Assistance, you need to complete and return a one-time application.

Regular Premium Assistance offers five levels of subsidies. This is based on an individual's net income.



Photo via VisualHunt.com

The following link provides more information on the Medical Services Plan-premium assistance. <http://www2.gov.bc.ca/gov/content/health/health-drug-coverage/msp/bc-residents/premiums/regular-premium-assistance>

## PharmaCare for B.C. Residents

B.C. PharmaCare helps B.C. residents with the cost of eligible prescription drugs, and certain medical supplies and pharmacy services. The largest drug plan is Fair PharmaCare plan.

**Fair Pharmacare** is a provincial income-based program, designed to provide **fair** access to coverage for prescription drugs - the lower your income, the more assistance the government will provide toward your eligible drug costs. To be eligible for Fair PharmaCare, you must have:

- Valid B.C. Medical Services Plan (MSP) coverage.
- Filed an income tax return for the relevant taxation year (that is, two years ago).

Go to the following link for information on Pharmacare/Fair Pharmacare: <http://www2.gov.bc.ca/gov/content/health/health-drug-coverage/pharmacare-for-bc-residents/who-we-cover/fair-pharmacare-plan>

For more information on Premium Assistance Program, Pharmacare, and the Fair Pharmacare plan call Health Insurance B.C. at: **1-800-663-7100**

## Subsidized Housing

Subsidized Housing is an affordable housing option for low-income British Columbians

### How to Apply for Subsidized Housing

#### Step 1: Confirm Eligibility

Applicants must live in British Columbia and each member of the household must be one of the following:

- A Canadian Citizen.
- Individual lawfully admitted into Canada for permanent residence.
- Refugee sponsored by the Government of Canada or individual who has applied for refugee status.

#### Eligibility for subsidized housing in Revelstoke:

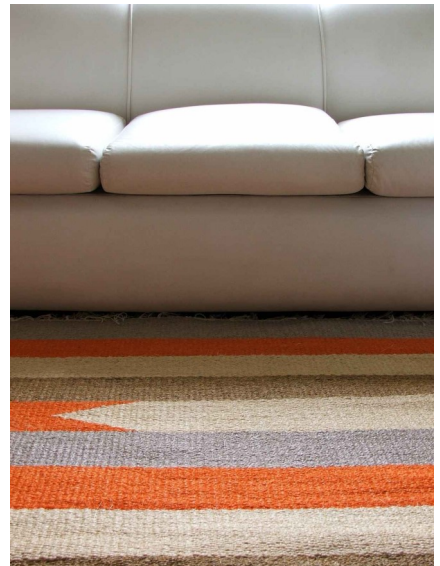
- People with disabilities who can live independently and receive a disability pension or are considered disabled for tax purposes.
- Seniors must be 55 and older.

To be eligible for subsidized housing, the income must be below the Housing Income Limits (HILs).

For a full list of the income limits and eligibility requirements visit:

[http://www.bchousing.org/Options/Subsidized\\_Housing/Apply/Eligibility](http://www.bchousing.org/Options/Subsidized_Housing/Apply/Eligibility)

Or contact B.C. Housing Interior Region office at:  
290 Nanaimo Avenue West  
Penticton BC V2A 1N5  
Telephone: 250 493-0301  
Toll Free: 1 800 834-7149  
Fax: 250 492-1080  
Email: [InteriorRegion@bchousing.org](mailto:InteriorRegion@bchousing.org)



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## Subsidized Housing

### Step 2: Select Housing

Subsidized Housing in Revelstoke include:

Mt. Begbie Manor and Villa:  
1214 Downie Street  
250-837-3033

Monashee Court:  
1-51 505 3rd Street.  
250-837-5062

### Step 3: Apply to the Housing Registry

You must complete an application for the Housing Registry. There are two ways to apply. You can either apply online using the apply button on the B.C. Housing website link:

[http://www.bchousing.org/Options/Subsidized\\_Housing/Apply/Apply-registry](http://www.bchousing.org/Options/Subsidized_Housing/Apply/Apply-registry)

Or obtain a paper application. Instructions on obtaining a paper application are shown below.

- Download the Housing Registry Form and print out the form. The form is located using the link above.
- Complete the online request form to have the form mailed to you.
- Call 1-800-834-7149 to get a form mailed to you, or go to any B.C. Housing office to obtain a paper copy.

Fill out all of the information on the form, and either fax or mail it to your local BC Housing Office.



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## Community Programs

### Revelstoke Community Housing Society:

The Revelstoke community Housing Society is a non-profit corporation formed by the people of Revelstoke in partnership with the City of Revelstoke. The primary objective is to provide, affordable housing options within the city of Revelstoke that are accessible to local residents. The Revelstoke Community Housing Society currently owns 14 housing units.

Placement in an affordable rental unit is determined by a combination of the following factors:

- The applicant's position on the waitlist for a resident restricted rental unit.
- The applicant's references from current employer and/or landlord must be positive.
- The applicant's ability to pay the rent.
- The applicant's total household income.
- Preference will be given to Revelstoke residents of at least three months.
- Consideration will include current CORE Housing need.



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For information on the housing units and the application please contact:

Revelstoke Property Services  
Unit 201, 111 2<sup>nd</sup> Street East  
Revelstoke BC.  
**250-837-7000**

Or Contact the Community Housing Society at:  
Suite D, 301 Victoria Rd  
Revelstoke  
V0E 2S0  
**250-837-5345**

## Transportation Subsidy

### Special Transportation Subsidy (STS)

A Special Transportation Subsidy may be provided to recipients of disability assistance who live in areas where the Bus Pass Program is available, but are unable to use public transportation due to their disability or because their disability would become worse through use of public transportation.

Call the Ministry of Social Development and Social Innovation at:  
**1-866-866-0800**

Information regarding the program policy, eligibility, forms and contacts can be found at:

[http://www.gov.bc.ca/meia/online\\_resource/general\\_supplements/sts/index.html](http://www.gov.bc.ca/meia/online_resource/general_supplements/sts/index.html)



Photo credit Koreen Morrone



## Employment Insurance– Compassionate Care Benefit

Employment Insurance (EI) provides Compassionate Care Benefits to people who have to be away from work temporarily to provide care or support to a family member who is very ill with a possible risk of death.

### Did you know ...?

You can receive compassionate care benefits for a variety of family members - both yours and those of your spouse or common-law partner. The following link will provide a list: <http://www.esdc.gc.ca/en/ei/compassionate/index.page>

Or call Service Canada at: 1-800-206-7218



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To be eligible for Compassionate Care Benefits, you must be able to show that:

- Your weekly earnings have decreased by more than 40 percent.
- You have 600 hours of work in the last 52 weeks, or since your last claim.

### Did you know ...?

You can receive compassionate care benefits for up to a maximum of 26 weeks

For more information on Compassionate Care Benefits and to apply go to the following link:

<http://www.esdc.gc.ca/en/ei/compassionate/index.page>

**You must apply online!**

For information contact Service Canada office at 1-800-206-7218.



## Additional Benefits

### B.C. Employment and Assistance Program:

The B.C. Employment and Assistance program aids British Columbians by helping them move from income assistance to steady employment, and by providing income assistance to those who are unable to fully participate in the workforce.

### Help for those receiving B.C. Employment and Assistance

The Ministry of Social Development and Social Innovation provides money for food and shelter costs, plus a variety of other assistance through B.C. Employment and Assistance.

For more information on these benefits contact the Ministry of Social Development and Social Innovation at:

**1-866-866-0800**

or go to the following link:

<http://www.sdsi.gov.bc.ca/programs/index.htm>

The following are some additional assistance that may be available to you if you are receiving B.C. Employment and Assistance.

- Crisis Assistance
- Identification Fees
- Security Deposit
- Emergency Moving Benefit
- Dental Program
- Optical Program
- Diet Supplement: <http://www.mhr.gov.bc.ca/factsheets/2004/DietAssistance.htm>
- Guide Animal Supplement
- Christmas Supplement
- Medical Transportation
- Court Attendance



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## Budgeting

A budget worksheet is available online to help you keep track of where your money is coming from and where it is going to: [http://www.cba.ca/contents/files/misc/cba\\_budgetworksheet\\_en.pdf](http://www.cba.ca/contents/files/misc/cba_budgetworksheet_en.pdf)

A free budget calculator is available online at: <http://www.mymoneycoach.ca/budgeting/budgeting-calculators-tools/budgeting-spreadsheet>



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Tips to get you started

- **Get organized.** Record all of your spending so you know where your money goes and where you can cut spending.
- **Identify your short-term and long-term goals, and build saving for them into your budget.** For example, a short-term goal could be buying new furniture. It is also important to start saving early for long-term goals like retirement.
- **Divide your expenses into two groups: things you need, such as groceries, and things you want, such as tickets to a concert.**
- **Make "being debt-free" one of your goals.** List all your debts and the interest rate you are paying on each of them and track your progress in paying them off.
- **Stick to your plan.**

# Credit Cards

Use this Checklist from [GetSmarterAboutMoney.ca](http://GetSmarterAboutMoney.ca) to choose a credit card, use it wisely, and keep it safe.

## When you are looking for a Credit Card:

- Shop around for the card that best suits all of your needs.
- Find out what interest rate you'll pay on late payments.
- Limit the number of credit cards you apply for at the same time as this could affect your credit score.
- Read and understand card terms and conditions before you apply. Are there annual fees? How much time do you have to pay your balance before you pay interest?
- Consider whether a rewards program will benefit you (cash back, travel, movies, etc.). Are the rewards worth the additional fees?
- If you receive multiple card offers, accept only the one you want and shred all other offer information.



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## When you have your Credit Card:

- Always pay your bill on time to avoid interest costs.
- Avoid taking cash advances on your card, interest is usually charged immediately on these withdrawals.
- Keep all of your credit card purchase receipts and compare these to your monthly bill to make sure there are no incorrect charges.
- Track your spending throughout the month to make sure you don't go over your limit and that you have the money to pay your bill when it's due.
- Keep your card number, pin and other card information private. Don't save your card information on online retailer sites, especially if you share a computer.
- Learn how to protect yourself from identity theft
- Let your card company know when you are going on vacation – if your card company sees purchases outside of your area, they may disable your card.

## Debt Management

Getting into debt is easy but getting out of debt can be hard. The first step in paying off your debts is identifying what you owe, such as student loans, lines of credit and credit card balances.

Once you know what you owe, you can include debt payments into your monthly budget.

**6 ways to reduce your debt:** (From GetSmarterAboutMoney.ca)

**1. Pay at least the minimum on each debt:**

Each month, pay off as much of your debt as you can. Pay at least the minimum amount on each loan which will protect your credit rating. If you can afford to pay more, pay down the loan with the highest interest rate first. As you pay off each loan, start paying more on the next debt in line.

**2. Ask for a lower interest rate:**

If the first person you talk to can't help you, ask to speak to their supervisor. If you have a good record of paying on time, they may be willing to reduce your interest rate to keep your business.

**3. Stop using your credit cards:**

Put away your credit cards somewhere safe and don't use them to make any more purchases until you've cleared your debt.

**4. Consider a consolidation loan:**

You may be able to reduce your interest charges by grouping all your debts into one low-interest loan.

**5. Trim your budget:**

Could you cut back on things like eating out and other optional purchases? Trimming your budget will free up more money to pay down on your debt.

**6. Talk to a professional:**

Non-profit credit agencies help people work through their debt problems. They can help you develop a plan, reduce your interest costs and get out of debt over time.



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## Pay Day Loans

A pay day loan is a short-term loan of two to four weeks against your next pay cheque. Pay day loans are offered by private lenders and cheque cashing outlets.

You can usually borrow up to 50% of your next pay-cheque amount. To get the loan, they will ask you for additional info (for example, identification, pay stubs etc).

Pay day loans are a very expensive way to borrow money. There are many high service fees and interest charges. These get even higher if you do not pay the loan back on time, you may not be able to avoid paying the interest – there could even be fees for paying the loan back early!

The average fee for a two week, \$300 loan is over \$60. If you work that out to a yearly interest rate, it is 520%!

If you do take a pay day loan, make sure you review the loan agreement and understand its terms before you sign it. Always keep a copy for yourself.

If you are thinking about a pay day loan, here is a link to 10 questions to ask yourself before taking out the loan:

<http://www.fcac-acfc.gc.ca/Eng/resources/publications/creditLoans/Pages/Consider-Vousenvi.aspx>



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## Cheque Cashing Outlets

These places will charge you a percentage of your cheque plus a service fee to cash your cheque! For example, on a \$1,000 cheque they could charge you a 3% fee (\$30) plus a \$3 service fee – that's \$33 to cash your cheque!

### ***Did you know ...?***

*You don't need a bank account to cash a government cheque? You can bring it into any bank (even if you don't have an account there) and they will cash it for free.*

## Savings and Investments

### Retirement

If your employer doesn't have a pension plan – not to worry – you can start one on your own. There is a lot of information out there on retirement planning. The sooner you start saving the more money you will have when it is time for you to retire.

**Registered Retirement Savings Plan (RRSP).** More info can be found here: <http://www.getsmarteraboutmoney.ca/en/managing-your-money/investing/rrsps-for-retirement>

An RRSP will help you save for your retirement and reduce your taxes while you save.

#### 5 Reasons to Open an RRSP:

- Contributions are tax deductible
- Savings grow tax free
- You can convert your RRSP to get regular payments when you retire
- A spousal RRSP can reduce your combined tax burden
- You can borrow from your RRSP to buy your first home or pay for your education

For more info: <http://www.getsmarteraboutmoney.ca/en/managing-your-money/investing/rrsps-for-retirement/Pages/Five-reasons-to-open-an-RRSP.aspx#>

**Tax Free Savings Account (TFSA).** This is a flexible, registered, general-purpose savings plan that allows you to earn tax-free investment income. More info can be found here: <http://www.getsmarteraboutmoney.ca/en/managing-your-money/investing/tax-free-savings-accounts>

**Guaranteed Investment Certificates (GIC).** A GIC is an investment that works like a special kind of deposit. When you buy a GIC you are agreeing to lend the bank or financial institution your money for a set period of time (the term). You are guaranteed to get the amount you deposited back at the end of the term. For this reason, GICs are one of the safest ways to invest.

Each of these options has pros and cons to them. Your financial institution can help answer any questions you have.



## Living as a Couple

Whether you are planning to get married or moving in together, deciding to live with someone is a big step in a relationship and there are financial issues to consider.

Money can be a difficult topic to discuss as you move in together, but discussing it early can save you stress in the long run. Be honest with your partner so that you both have a full understanding of what your current financial situation is and where you hope to be in the future.

The following link has seven money conversations every couple should have!

<http://www.fcac-acfc.gc.ca/Eng/forConsumers/lifeEvents/livingCouple/Pages/Couplesa-Lescoupl-1.aspx>

Set financial goals together so that you can start the process of planning as a couple. Examples of things to consider are:

- If one of you carries debt, what are the steps to pay it back?
- Do you plan to own a home in the near future?
- Are you planning to have children?

The following link has tips and tools on how to manage your finances as a couple.

<http://www.fcac-acfc.gc.ca/Eng/forConsumers/lifeEvents/livingCouple/Pages/home-accueil.aspx>



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## Getting Separated or Divorced

No one plans on getting separated or divorced. Most people who get separated or divorced experience significant financial changes. Usually, this new financial reality involves having less money.

There are many reasons why this might happen:

- Legal bills can be costly.
- Instead of sharing costs, you and your former partner will both have to pay for things separately.
- It's more expensive to run two households than one.
- If you have children, you will also need to make sure their financial needs are met.



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The following is a checklist for getting through a separation (from [GetSmarterAboutMoney.ca](http://GetSmarterAboutMoney.ca)).

### Getting through a divorce or separation: A financial checklist

- **Put all your papers in order quickly.**  
Make a list of your joint assets and debts. You'll need records of your bank, Registered Retirement Savings Plan (RRSP), pension savings, and any investment account statements. You'll also need your will, tax returns, credit card records, mortgage papers and insurance policies.
- **If you have children, decide about child support and custody.**  
Make sure you get legal advice on this matter. The rules you have to follow are set by the province where the paying parent lives. If you and your ex-spouse can't agree, a court will decide for you.
- **Estimate how much money you will need for the next six to 12 months.**  
If you have cash, keep it where you can easily get it. If you have joint accounts, split the money evenly, close the old accounts, and open a new account in your name only.
- **Stay on top of your bills.**  
If you don't, the interest charges can really add up. You may also get a bad credit history, which means you may be unable to borrow more when you really need it.

## Getting Separated or Divorced

### Getting through a divorce or separation: A financial checklist continued

- **Pay off your credit cards and other debts.**

Once you and your ex-spouse have a separation agreement, you will divide your assets and debts. Then you can pay off your joint credit cards, and either close them down or transfer them to your name only.

Make sure you have your own credit card before you close any joint ones. Also, check your credit report within three months of your separation/divorce so you can clean up any errors. For instance, make sure all joint loans and credit cards are shut down.

In Canada, to check your credit report, you can contact:

[Equifax Canada](https://www.equifax.ca)  
1-800-465-7166

[TransUnion Canada](https://www.transunion.ca)  
1-800-663-9980



Photo via Visualhunt

- **Don't make any big financial decisions right away.**

Avoid making big purchases or big investment decisions until you and your ex-spouse have divided your assets and debts. Give yourself time to decide what's best for you and your family, and be sure to get professional advice if you need it.

- **Update your will.**

You'll probably do this as you put together your divorce agreement. It's important that you protect your children in case something happens to you. Make sure you get legal advice to put everything in order.

Most people who go through a divorce or legal separation will need legal help even if you and your ex-spouse find it fairly easy to work things out. This is because you need to know what the law says is fair when you divide up your assets. A lawyer can also explain how child support and spousal support work in your province.

## Buying Your First Home

Buying a home is a big decision – and a big financial responsibility. It is probably the single biggest investment that you will make. With such a big investment, it is important to take some time to learn about all aspects of owning a home before making a decision.



Photo credit jessicafm via VisualHunt.com CC BY-ND

### Six steps to buying your first home (from GetSmarterAboutMoney.ca)

#### 1. Save for your down payment.

The down payment is the amount of money you deposit when you first buy your home. It must be a minimum of 5% of the purchase price, but can be more. The down payment will help determine how much you need as a mortgage loan, and whether or not you will have to pay mortgage default insurance, which is required if you have a down payment of less than 20% of the purchase price.

#### 2. Make sure your credit report is in good shape.

To qualify for a mortgage, you will have to pass a credit check. Order a copy of your credit report and check it for errors.

You can order a copy of your credit report from:

[Equifax](#) 1-800-465-7166

and

[TransUnion](#) 1-800-663-9980

Both agencies offer free credit reports by mail. The reports are available online but you will have to pay a fee.

# Buying Your First Home

## Buying Your First Home

### 3. Get pre-approval for a mortgage.

Get pre-approval in writing. You will know how much you can afford for a house and it will give the seller more confidence in your offer because you have financing arranged.

### 4. Get financing arrangements in writing.

Understand how your mortgage works – fixed or variable rate, payment schedule, fees and any special conditions.

### 5. Shop around.

Go to open houses. View a variety of properties. Explore different neighbourhoods and rank them based on your priorities.

### 6. Check the documents carefully.

When you're ready to buy, review all documents related to the purchase with a relator or notary/lawyer. You will be signing a binding legal contract so it is important to make sure all information is correct.



Photo credit Alan Cleaver via Visualhunt.com CC BY



## Buying Your First Home

### Mortgage Shopping

For most people buying a house will be the biggest financial investment that they will make. In most cases, it will require getting a mortgage. Before shopping around you need to know how much you can afford. A realistic budget is very important.

Some questions you need to ask yourself before and during the mortgage shopping process include:



Photo credit 401(K) 2013 via Visual hunt CC BY-SA

- How much of a down payment do you have?
- What price range for a home is within your budget?
- Have you considered all the costs involved with owning a home, such as mortgage payments, utility costs, property taxes, and maintenance costs?
- Are you expecting any big changes that will affect your household budget in the near future? For example, do you plan to start a family or add other expenses, such as car payments, that would affect your budget?

For a step by step guide on mortgage shopping visit the following link:

<http://www.fcac-acfc.gc.ca/Eng/resources/publications/mortgages/Pages/BuyingYo-Acheterv-9.aspx>

### House Expense Worksheet

The following four pages include a Housing Expense worksheet for you to look at for both the one time expenses and on going expenses.

The worksheet can be found online using the following link:

<http://www.fcac-acfc.gc.ca/Eng/resources/publications/mortgages/Pages/BuyingYo-Acheterv-21.aspx#sheet>



## Buying Your First Home

## Buying Your First Home

One-time expenses	Estimated amount
<b>Before moving in</b>	
Down payment	
Closing costs ( <i>budget for 1.5% to 4% of the purchase price of the home</i> ):	
Legal fees (or notary in Quebec)	
Land registration fees (also called land transfer taxes)	
Township/municipal levies	
Mortgage default insurance premium ( <i>if not included in payments</i> )	
PST on mortgage default insurance premium	
Appraisal fee	
Home inspection fee	
Title insurance fee	
Property tax and utility adjustments	
Interest adjustments	
Survey or Certificate of Location	
Water and septic tank tests ( <i>if applicable</i> )	
Deposits to builders ( <i>if applicable</i> )	
Moving expenses/storage expenses	
Other expenses: _____	

## Buying Your First Home

<b>Shortly after moving in</b>	
Hook-up costs ( <i>cable, satellite, phone, Internet</i> )	
Basic furniture/appliances/window coverings	
Other expenses: _____	
<b>TOTAL one-time costs</b>	
<b>Subtract amount of money already saved</b>	-
<b>Balance to be saved</b>	
<b>Divide by the number of months before your home purchase</b>	÷
<b>Monthly savings target for budget</b>	=
<b>Ongoing expenses</b>	<b>Estimated monthly amount</b>
<b>Regular expenses</b>	
Mortgage payments	
Mortgage default insurance ( <i>if required and not included in mortgage payments</i> )	
Optional—mortgage life, disability or critical illness insurance ( <i>if not included in mortgage payments</i> )	
Home/property insurance	
Utilities: <ul style="list-style-type: none"> <li>• heat/electricity</li> <li>• water/sewer</li> </ul>	

## Buying Your First Home

## Buying Your First Home

Ongoing expenses	Estimated monthly amount
<b>Regular expenses</b>	
Telephone/Internet	
Cable/satellite	
Property taxes ( <i>if not included in mortgage payments</i> )	
School taxes ( <i>if paid separately from your property taxes</i> )	
Condominium fees (if applicable)	
Cleaning supplies/service	
Repairs/maintenance - (for example, roof repairs, painting, plumbing, etc.); <i>as a general guide, budget 1% to 3% annually of the value of the home, then divide by 12.</i>	
Other day-to-day expenses: _____	
<b>Occasional expenses</b> ( <i>divide yearly costs by 12 for a monthly number</i> )	
Landscaping/lawn service	
Snow removal service	
Additional furniture and appliances	
Other occasional expenses: _____	
<b>Monthly ongoing expenses</b> ( <i>use this total and enter it into your monthly budget</i> )	

## Owning a Vehicle

### Vehicle Buying Checklist

#### Plan

- I know my needs and budget.
- I researched vehicle features and prices. Dealers must advertise and display the total amount I will have to pay before taxes.
- I am choosing to deal with a licensed dealer and salesperson for maximum protection.  
You can check who is licensed on the Vehicle Sales Authority (VSA) website.

#### Test

- I understand all deposit terms and know what conditions may make it non-refundable.
- I drove the vehicle and checked all the controls, paint and upholstery.
- I asked for and I am satisfied with a recent mechanical inspection report.
- I asked for a recent vehicle history report (ICBC or CarProof) and now I know about any prior damage.  
Check vehicle buying tips on the VSA website.



Photo via Visualhunt

#### Buy

- I understand all terms and conditions of the purchase agreement.
- I know what all the amounts on the agreement that are for dealer fees, such as documentation or administration.
- I know fees are negotiable; taxes are mandatory.
- I checked that the agreement is complete and includes all the options I agreed to.
- I understand the terms of my warranty and I know who provides the coverage.

This checklist can be found on the Vehicle Sales Authority of British Columbia Website at the following link:

[http://mvsabc.com/v1/wp-content/uploads/2015/04/FINAL-VSA\\_Rack.pdf](http://mvsabc.com/v1/wp-content/uploads/2015/04/FINAL-VSA_Rack.pdf)

## Owning a Vehicle

If you are considering purchasing a vehicle. It is important to know the costs of owning a car – including insurance, gas, maintenance, and how to finance your purchase if you can't pay cash – before you buy. The true cost of vehicle ownership can be higher than you think. Owning a vehicle is more than the monthly payments. It can be helpful to have a budget before you begin shopping. Here is list of some of the expenses that you would expect to have. The Canadian Automobile Association has a great brochure on the costs of driving at:

[http://www.caa.ca/wp-content/uploads/2012/06/CAA\\_Driving\\_Cost\\_English\\_2013\\_web.pdf](http://www.caa.ca/wp-content/uploads/2012/06/CAA_Driving_Cost_English_2013_web.pdf)

Here are some additional driving costs to factor in:

**Auto Insurance.** Here is a link to the Insurance Corporation of B.C. (ICBC) Autoplan Insurance for more information on vehicle insurance.

<http://www.icbc.com/autoplan/Pages/Default.aspx>.

**License and Registration.** Here is a link to ICBC Registration.

<http://www.icbc.com/vehicle-registration/Pages/default.aspx>.

**Summer/All Season Tires and Winter Tires.**

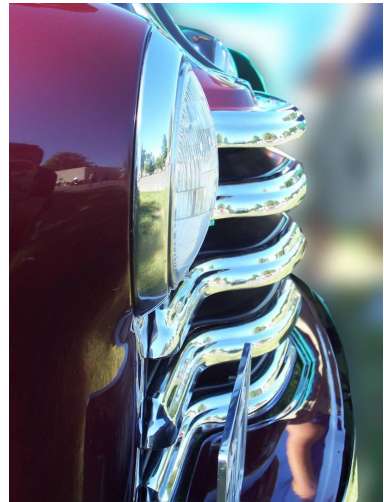
Although winter tires are not mandatory in all of B.C., keep in mind that the Ministry of Transportation and Infrastructure can designate them to be required on certain roads and highways, such as here.

<http://www2.gov.bc.ca/gov/topic.page?id=CD10049B873841338165AF1E988C4B3F>

Winter tires are required in B.C. on many rural highways and high mountain passes in the Interior, North and Vancouver Island. If you're driving on these roads without winter tires, police can ticket you and make you turn back. The Candian Automobile Association (CAA) estimates that a new set of winter tires can cost up to \$968.96, depending on your vehicle.

**Maintenance.** This can be a bit tricky to budget, because it really depends on your vehicle. CAA estimates that you can budget 3.27 cents/Km driven. More info on maintenance costs can be found here:

[http://www.caa.ca/wp-content/uploads/2012/06/CAA\\_Driving\\_Cost\\_English\\_2013\\_web.pdf](http://www.caa.ca/wp-content/uploads/2012/06/CAA_Driving_Cost_English_2013_web.pdf)



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## Owning a Vehicle

**Other costs.** Car washes, cleaning supplies etc. These may seem minor but they can add up over a year.

**Repairs.** At some point, you will need to make repairs on your vehicle. You can budget a small amount of money for this every month so that you can be prepared when there is an unexpected repair.

**Fuel.** Fuel prices fluctuate greatly. Expect prices to continue to go up over time.

This tool from the Canadian Automobile Association can help you figure out your driving costs, [http://caa.ca/car\\_costs/](http://caa.ca/car_costs/). It takes into account the cost of fuel and depreciation of the vehicle. That's right – every year the value of your vehicle decreases.

Now that you know the costs to operate your vehicle you will have to find one! You can purchase a used vehicle, or if you choose to buy a new vehicle, you have the option to lease. Not sure whether you should lease or purchase? This tool can help you figure out the cost difference between the two options,

<https://www.ic.gc.ca/-bc/ssc/vehicle.html?lang=engapp/scr/oca>



Photo via Visualhunt.com

### Kootenay CarShare

If you would like access to a vehicle but don't want the commitment of owning one, why not check out the Kootenay Carshare? There is a membership fee to join. It can give you access to a vehicle without the full expense of ownership. One must be over the age of 16, and have three or less minor driving infractions in the last three years on your Drivers Abstract. For more information go to the following link: <http://www.carsharecoop.ca/car-locations/revelstoke/>

#### Did you know....?

Bringing a vehicle from another province or even another country can save you some money. But there are also expenses, like inspections and other fees. Be informed – check out this website for more info on importing a vehicle. <http://www.tc.gc.ca/eng/motorvehiclesafety/safevehicles-importation-index-443.htm?campaign=Twitter-eng>



# Fraud Protection

## Did you know that...?

Fraud can be committed by anyone, including professionals/people in business, service providers, and strangers. Fraud can also be carried out by a spouse, friends and immediate and extended family.

Fraud is a general term for any wrongful or criminal deception intended to result in financial or personal gain. Fraud occurs by misrepresenting or concealing facts. People of all ages can be victims of fraud. Some of the more common types of fraud include:

Identity fraud: When your personal information or identity is stolen.

Debit card fraud: When your debit card, debit card information or your personal identification number (PIN) is stolen.

Credit card fraud: When your credit card, credit card information or your personal identification number (PIN) is stolen.

Email and phone fraud: When you receive fraudulent emails that look like they come from a legitimate company, this is call phishing. Vishing is the telephone version of phishing.

Real estate fraud: When an additional mortgage has been taken out in your name, or the title of your property has been transferred.

Online fraud: When you share personal information online with unreliable sites it can result in identity theft and financial loss.



Photo credit GotCredit via Visual Hunt CC BY

## Fraud Protection

### General tips to help you avoid becoming a victim of fraud:

- Keep important personal documents such as your birth certificate, social insurance number and your passport in a safe and secure place. Don't carry them around with you if you don't need them.
- Never give out personal information such as your credit card number, bank account number or social insurance number over the phone, at the door or online, unless you know and trust the person.
- Be careful when you get rid of old statements and bills, it is best to shred them. Fraudsters can rummage through your garbage and recycling for old bank statements and bills to obtain your personal information and use it for fraudulent purposes.
- Do not click on pop-up windows or respond to emails, open attachments or go to website links sent by people you do not know. Your bank or credit union will not send you anything by email unless you ask them to.
- Be suspicious if someone you don't know asks you to send them money or a cheque, or to return money they "accidentally" sent you.
- Never feel pressured to sign an agreement or contract in the moment, even if it's a "limited time offer." It's best to wait until you or someone you know and trust can look over the details of the agreement or contract.
- Before hiring someone or agreeing to have work done on your home, ask for proof of identity and references and check them.

For more information on fraud and fraud protection visit:

<http://www.fcac-acfc.gc.ca/Eng/forConsumers/topics/fraud/Pages/home-accueil.aspx>

# Wills

**Write or update your will:** Your will decides who will inherit your property, become the guardian of your children, and who will handle your financial affairs in the event of your death. If you don't have a will, the courts will decide who will become the guardian of your children and how your assets are divided.

You may also want to get information or advice on:



Freelimages.com-Jennifer Marr

**Naming a guardian** so that plans are in place in case you and your spouse are unable to take care of your child. Make sure to discuss this with the guardian you choose.

**Power of Attorney (POA):** A document that allows another person to make financial and legal decisions for you.

**Representation Agreement:** Like a Power of Attorney, but it is more complex because it is more detailed. It allows a person to make personal and health care decisions for you.

**Living Will:** Also called an “Advance Directive for Health Care” or a “Personal Declaration”, it allows you to express your wishes about dying.

**Estate Planning:** Looks at ways to transfer assets to your loved ones outside of a will, without tax and other costs.

Although you can use a kit to write your own will, it's a good idea to get help from a lawyer or notary public to make sure your will is legal.

Before signing any legal document like Power of Attorney, consult a lawyer to help you understand all of the risks and benefits

**Revelstoke Financial Literacy Website:**  
**<http://revelstokefinancialliteracy.weebly.com>**



The Revelstoke Financial Literacy Project is made possible by the:

