

MONEY MATTERS

B10

EDITOR: SHANE MINKIN 204-697-7308 business@freepress.mb.ca | winnipegfreepress.com

The breakdown on the breakup

Nothing throws a wrench into the gears of a retirement plan more than a marital collapse

FINANCING retirement is tough enough. But few life events pump up the anxiety about finishing the last leg of life while subsisting on Meow Mix more than marital strife.



JOEL SCHLESINGER

Statistics Canada data show about 2,400 marriages break up every year in Manitoba. And while it's hard to make a generalized statement about the nature of them all, it's likely safe to say at least one spouse in most splits comes away less wealthy.

There's that familiar phrase: Two heads are better than one. The same thing can be said about finances.

A marriage or common-law relationship often brings together the financial wherewithal of two hearts instead of one. In divorce, that source of economic power is busted in half.

"Divorce can have a major impact because you can have a situation where people's expenses have literally doubled because now there are two households," says Christine Van Cauwenberghe, director of tax and estate planning at Investors Group in Winnipeg.

And depending on how long a couple has been together, a divorce's negative effect on retirement can often be irreversible.

"If the parties have already retired, then it's very difficult to make a big difference in terms of how much you can save," she says. "It's more likely you can't save very much at all anymore because you're in the drawdown phase of your life."

Just consider the effect on

those guaranteed sources of retirement income, says Darren Quiring, a Winnipeg-based financial planner with Edward Jones.

"As a single person, you're at a disadvantage because your partner was also often bringing in OAS and CPP, and that's approximately \$15,000 a year," he says.

"Over a 20-year period, your financial plan is out about \$300,000."

Of course, it's better to live a little more austere than to live in misery.

Many greying Canadians agree. The average age of divorce in Canada is on the rise. While the median age in Manitoba is the early-to mid-40s, Statistics Canada data point to "grey divorces" becoming increasingly common in Canada as

boomers retire.

Splitting up isn't just tough emotionally. It turns retirement dreams upside down — decades of planning out the window, says Tesia Brooks, a certified divorce financial analyst with Brooks Financial in Winnipeg.

"In your 50s and 60s, you're pretty close to retirement and you've done those plans together, thinking this is what your lifestyle will be like," she says.

"Now you've got to split the plan into two households and you're pushing retirement, and if there are shortfalls, someone may have to go back to work, delay retirement or have a lower standard of living than envisioned."

When a breakdown is inevitable, the first call should be to a family lawyer, Van Cauwenberghe says.

"You may be entitled to apply for support whether you were common-law or married."

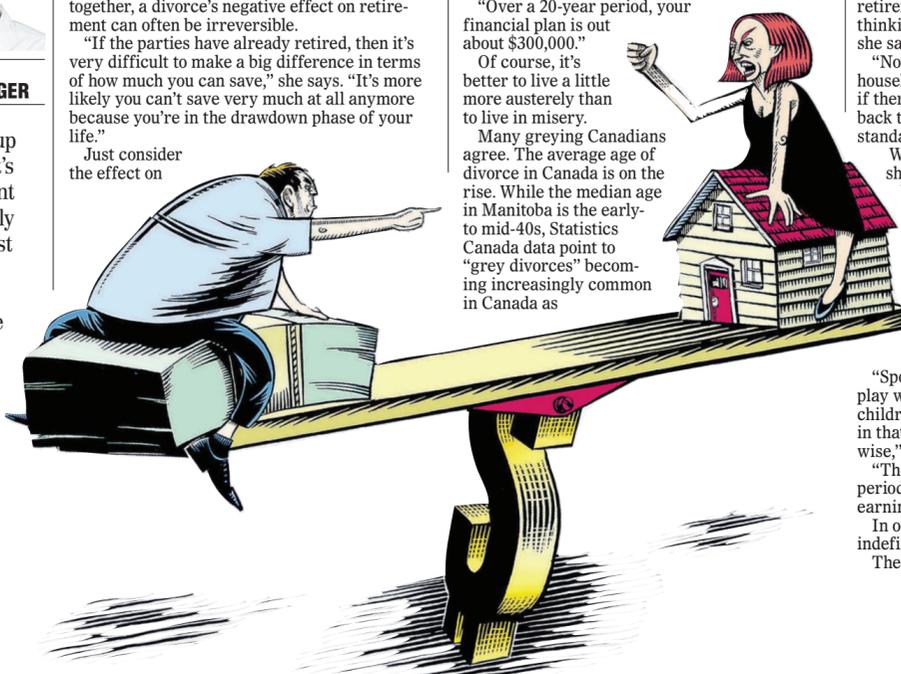
Child support may no longer be an issue if the nest is empty, and spousal support is less common these days as more families have two incomes. Still, don't assume spousal support isn't on the table, Brooks says.

"Spousal support would certainly come into play when one spouse has been at home with the children and ended a career or took a long pause in that career so he or she is behind income-wise," she says.

"The support is usually to give that spouse a period of time to get back into the workforce earning money."

In other words, spousal support usually isn't indefinite.

The exception can be divorces later in life.



Continued

Please see **BREAKUP B17**

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In Memoriams



KAREN ARMOUR
May the winds of love
blow softly
And whisper so you
can hear
We'll forever love and
miss you
And wish that you
were here
For all that life has
given us
And all that's left to do
We'll know no greater
treasure
Than the days we had
with you.
REST IN PEACE
NIBS!
Forever cherished.
Love, Tom, The 3 Ks
and their families.



**GERALD (GERRY)
RUSSELL BILOUS**
January 27, 1907
May the winds of love
blow softly,
And whisper for you
to hear,
That we'll always love
and miss you,
And wish that you
were here.
Forever loved and
missed by wife
Mary Jane and family

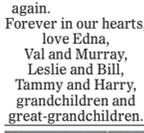
**HEATHER DAWN
BREANAN**
January 28, 2012
Missed by all
who knew her.
Love, Dana.

STANLEY DOLSKI
January 27, 2012
In loving memory
of a dear husband,
father and grandpa.
If memories bring us
closer,
Then we are never far
apart,
For you are always
with us,
In our thoughts and in
our hearts.
- You are loved and
missed by your
family.



**KIMBERLEY
DAWN
(nee BYERS)**
December 6, 1959 -
They say time heals
all pain
But we know that isn't
true,
Because it hurts as
much today
As it did four years
ago.
You suffered in
silence
Your spirit remained
strong,
You faced your pain
with courage
Until the very end.
Part of us went with
you Kim,
The day God called
you home.
So many times we've
missed you
So many times we've
cried.
If love could have
healed you
You never would have
to die.
And missing you is a
heartache
That never goes
away.
Fly little wings
Fly where only
angels sing.
Love You, Miss You
Kiss, Kiss
Mom and Dad Lower

JOHN KLASSEN
1924 - 2004
In loving memory
of our husband, dad,
papa and great-papa.
Our family chain is
broken,
And nothing seems
the same,
But as God calls us
one by one,
The chain will link
again.
Forever in our hearts,
love Edna,
Val and Murray,
Leslie and Bill,
Tammy and Harry,
grandchildren and
great-grandchildren.



PAUL J. KRAEMER
April 1, 1923 -
January 22, 2012
In loving memory of
our dear husband,
father, grandfather
and great-grand-
father.
Sadly missed and
forever in our
thoughts and prayers.
Helen and Family

PATRICIA J. LUCKI
April 27, 1964 -
January 28, 1989
Beautiful memories
silently kept of one
that we loved and will
not forget.
Dad and Mom,
Joe and Isydora

**Memorial
Gifts/Bequests**

Your gift in honour or in memory
of a loved one stays in Manitoba to further
Cancer Research, Treatment, Support,
Education and Prevention Services for all
Manitobans. Thank you.

**Cancer Care Manitoba
FOUNDATION**
675 McDermot Ave., Winnipeg, MB R3E 0V9
204-787-4143 www.cancercare.mb.ca

In Memoriams

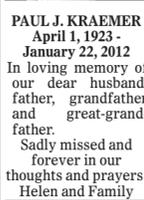
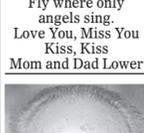
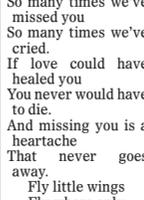
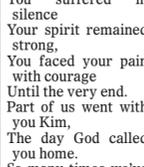
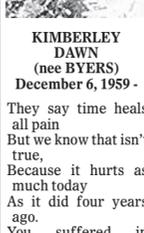


ROBERT HAMPTON
February 23, 1930 -
January 24, 2012
When I Lost You
I wish I could see you
one more time come
walking through the
door
But I know that is
impossible
I will hear your voice
no more.
I know you can feel
my tears and you
don't want me to cry
Yet my heart is
broken
Because I can't
understand
Why someone so
precious had to die.
I pray that God will
give me strength
And somehow get me
through
As I struggle with this
heartache
That came when I lost
you.

**A Grandfather
Like You**

Throughout the years
you've always been
A wonderful man to
me
When I was small you
took the time
To bounce me on your
knee.
As I grew older, you
were there,
I only had to call
I knew that I could
count on you
You'd never let me
fall.
So many hard times in
my life
You've helped to get
me through
I'm so glad God gave
me
A Grandfather as
special as you.

Love Karen and Cole



**Memorial
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of a loved one stays in Manitoba to further
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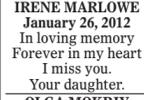
**ELIZABETH
MACHINSKI (Popiel)**
November 15, 1938 -
January 29, 2010
71 Years
Three years have
come and gone
We remember many
good times as we
carry on.
Your grandchildren
are growing up so
fast
We tell them many
stories of Baba and
the past.
As you watch down
from Heaven we are
sure you'll say
"I'm so proud of my
family and sad to go
away".
You are always in our
hearts and we miss
you every day.
Lovingly
remembered by
the Machinski family
Kathy, Mike
and Family



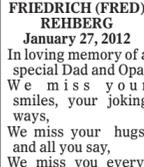
**JAMES (CLIFF)
MACKAY**
In loving memory of
James Clifford
Mackay
March 15, 1948 -
January 26, 2012
It seems like only
yesterday,
You were happy and
filled with life,
Busy with your
family,
As a grandma, mom
and wife.
Then God one day
looked down on you,
And watched you for
a while,
He must have seen
your kindness,
Perhaps the goodness
in your smile.
The years flew by so
very fast,
You had been with us
since birth,
God thought we had
you long enough,
So He took you from
this earth.
Well it hurts so much
to know you're gone,
Many times it makes
us cry,
But when God chose
you for His angel,
We all could see why.
We'll smile when we
think of you,
Through eyes so
filled with tears,
And we won't forget
in time to come,
How we loved you
through the years.
- Lovingly remembered
by all your
family.
Forever in our
thoughts and hearts.



**MARY
KESTELOOT SYS**
February 11, 1924 -
January 30, 2011
Today brings back
memories of a sad
and tragic blow,
That was cast upon
our family 15 years
ago.
In the silence of our
minds where no one
else can see,
Your voice, your
smile, your memory
is kept so tenderly.
To some you may be
forgotten, to others a
part of the past
But to us who loved
and lost you, Doug,
your memory will
always last.
So sadly missed and
dearly loved, Mom
and Dad and family.



IRENE MARLOWE
January 26, 2012
In loving memory
Forever in my heart
I miss you.
Your daughter,
OLGA MOKRIY
In loving memory of
our dear beloved
mother who passed
away 27 years ago
today.
Always loved,
remembered
and missed.
Love, Don and Olga.
Vichnaya Pamyat
**FRIEDRICH (FRED)
REHBERG**
January 27, 2012
In loving memory of
a special Dad and Opa.
We miss your
smiles, your joking
ways,
We miss your hugs,
and all you say,
We miss you every-
day.
Remembered with
love, Mona, Keith,
Joel, Carlie, Jordan,
Sheena, Cayla
and Blake



**MICHAEL
TOMKEWICH**
November 5, 1916 -
January 25, 2012
"You will always be
with us Dad"



OLIVIA BORROWMAN (PARISIAN)
Have you ever had a daughter who meant so
much to you?
Have you ever had a heartache, or felt some
dreadful pain?
If you've never had this feeling, we pray you
never do,
For when you lose a child, you lose a part of
you.
FOREVER LOVED AND MISSED.
From Dad, Mom and family.

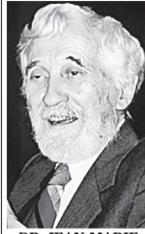


KATHARYN CYRENITY HOPE
1971 - 2002
Death is not the end of who you are.
It is only a brief pause in the endless
cycle of your life.
Katharyn you're a spirit that can never die.
Love Mom and Dad (Ruth and Ed)

In Memoriams



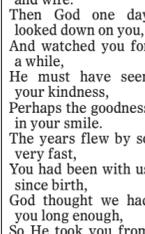
**RAYMOND
PELLETIER**
September 21, 1932 -
January 31, 1988



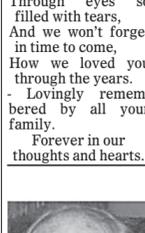
**DR. JEAN-MARIE
HUOT**
June 18, 1918 -
January 31, 2009
Precious memories,
Treasured forever,
Of love and
happiness,
We shared together.
Remembered
with love,
Yvette and family.



**SHERRY DIANE
PLETT**
Shanti and Devyn's
loving mother, my
dear wife, an only
daughter, a close and
faithful friend -
Sherry you were
taken from us so
quickly we could not
even say good-bye,
and too soon, with so
much of life to experi-
ence and enjoy
together. What a
treasure you were
Sherry. Memories of
your touch, your
laugh, your hugs,
your smile and your
faithfulness inspire
us to honour you with
our lives.
Lovingly
remembered and sadly
missed by husband
Brian, children
Devyn and Shanti, and
Jack and Laura Epp



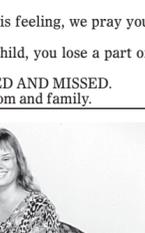
DOUGLAS RALKE
1959 - 1998
Today brings back
memories of a sad
and tragic blow,
That was cast upon
our family 15 years
ago.
In the silence of our
minds where no one
else can see,
Your voice, your
smile, your memory
is kept so tenderly.
To some you may be
forgotten, to others a
part of the past
But to us who loved
and lost you, Doug,
your memory will
always last.
So sadly missed and
dearly loved, Mom
and Dad and family.



MARIA RAROG
In loving memory of
our dear mom and
babcia who passed
away on January 26,
2012.
This day is
remembered and
quietly kept,
No words are needed,
we will never forget.
Today, tomorrow, our
whole lives through,
We will always love
and remember you.
We miss you so much.
Love your children
and grandchildren.



MILTON W. SLY
January 27, 2011
It's been an aching
long two years
We all still miss you
with moments of
tears.
There will always be
a broken link
The world still turns,
The birds still sing,
Families still congre-
gate with faith and
love
We all know you are
watching us from
above.
Forever loved
Bena Sly and family



DOUGLAS GORDON MACIVER
February 20, 1953 - January 26, 2012
In Loving Memory
It's been a painful year since you left us so
suddenly. If we had known the day before,
what would we have said? No matter what
we said it could never have expressed what
you mean to each of us. You were my sunny
day and I was your shady tree! So many events
we have celebrated without you, your 59th
birthday, our 33rd anniversary. Christmas
and the first New Year's in 35 years not
shared. Nothing is the same without you.
There are so many things I miss about you,
your sense of humour, your smile, your
caring ways, how much you loved us. I miss
my husband, I miss our children's father but
most of all, I miss my best friend. The
memories continue to keep us strong as we
continue this journey without you. You are
gone but not forgotten and loved so very
much.
Your wife Evelyn,
sons Douglas and Andrew, daughter
Alexandria and daughter-in-law Meagan.

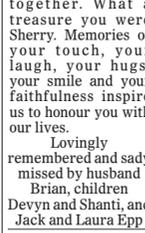
In Memoriams



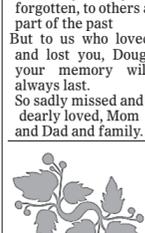
BRUCE PIPPY
August 31, 1933
January 27, 2007
God has you in His
keeping,
We have you in our
hearts.
Lovingly remem-
bered and so sadly
missed by your wife
Alma, son Gordon and
his wife Tracy,
relatives and friends.



**SHERRY DIANE
PLETT**
Shanti and Devyn's
loving mother, my
dear wife, an only
daughter, a close and
faithful friend -
Sherry you were
taken from us so
quickly we could not
even say good-bye,
and too soon, with so
much of life to experi-
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Sherry. Memories of
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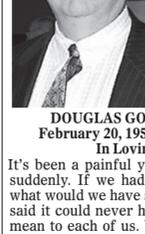
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Your voice, your
smile, your memory
is kept so tenderly.
To some you may be
forgotten, to others a
part of the past
But to us who loved
and lost you, Doug,
your memory will
always last.
So sadly missed and
dearly loved, Mom
and Dad and family.



MARIA RAROG
In loving memory of
our dear mom and
babcia who passed
away on January 26,
2012.
This day is
remembered and
quietly kept,
No words are needed,
we will never forget.
Today, tomorrow, our
whole lives through,
We will always love
and remember you.
We miss you so much.
Love your children
and grandchildren.



MILTON W. SLY
January 27, 2011
It's been an aching
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We all still miss you
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day and I was your shady tree! So many events
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most of all, I miss my best friend. The
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Your wife Evelyn,
sons Douglas and Andrew, daughter
Alexandria and daughter-in-law Meagan.

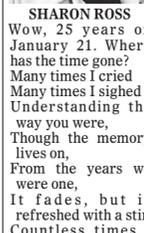
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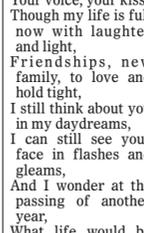
**THE REV.
DR. BARRY
RASMUSSEN**
May 30, 1955 -
January 25, 2003
Ten years have gone
by since your sudden
passing. Remember-
ing your gift of love to
all of us. You were
and remain our model
for loving, working
and playing hard.
Sadly missed and lov-
ingly remembered.
Your Family.



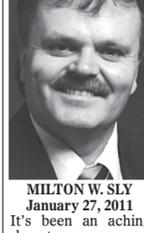
SHARON ROSS
Wow, 25 years on
January 21. Where
has the time gone?
Many times I cried
Many times I sighed
Understanding the
way you were,
Though the memory
lives on,
From the years we
were one,
It fades, but is
refreshed with a stir.
Countless times I
wished you were
here,
For weddings and
births,
For failures and
firsts.
Though there are
other "mothers" we
hold dear,
It's you who we miss.
Your voice, your kiss.
Though my life is full
now with laughter
and light,
Friendships, new
family, to love and
hold tight,
I still think about you
in my daydreams,
I can still see your
face in flashes and
gleams,
And I wonder at the
passing of another
year,
What life would be
like,
If you were still here.
Sharon Ross,
you are gone but
not forgotten.
Love Don,
Delaney and Devon



FAYE STEPHEN
September 1, 1934 -
January 24, 2011
Two years have
passed since you left
us.
Anniversaries, birth-
days and Christmas
have not grown
easier without you.
Each day we still
think of you with
many fond memories
We miss you Ya Ya
Love, your family



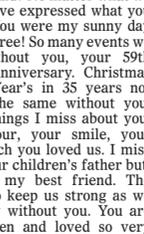
**CAMERON
WALKER**
February 24, 1994 -
January 28, 2011
Death leaves a heart-
ache no one can heal,
Love gives us
memories no one can
steal.
Love Dad
Miss you everyday



THOMAS WHEAWAY
January 29, 2005
Forever in my heart
Karmen



SYLVIA WORSTER
May 20, 1954 -
January 26, 2006
Quietly remembered
every day,
Deeply missed along
life's way,
Just as you were you
will always be,
Treasured and loved
in our memory.
- Your family



KATHARYN CYRENITY HOPE
1971 - 2002
Death is not the end of who you are.
It is only a brief pause in the endless
cycle of your life.
Katharyn you're a spirit that can never die.
Love Mom and Dad (Ruth and Ed)

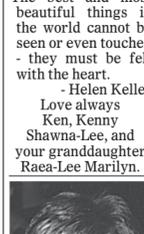
In Memoriams



ALLAN L. SPROULE
April 22, 1932 -
January 24, 2011
In loving memory of
our husband, father
and grandpa, who
passed away two
years ago.
You are forever
in our hearts.
Barbara, Gerry,
Mike, and family.



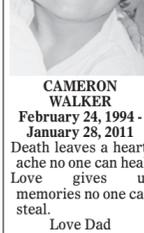
**MARILYN JEAN
STASHKO
"COOKIE"**
In loving memory
of our wife,
Mom and Grandma
who passed away on
January 28, 2003.
It's hard to believe
it's been 10 years.
The best and most
beautiful things in
the world cannot be
seen or even touched
- they must be felt
with the heart.
- Helen Keller
Love always
Ken, Kenny
Shawna-Lee, and
your granddaughter
Raea-Lee Marilyn.



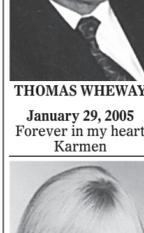
FAYE STEPHEN
September 1, 1934 -
January 24, 2011
Two years have
passed since you left
us.
Anniversaries, birth-
days and Christmas
have not grown
easier without you.
Each day we still
think of you with
many fond memories
We miss you Ya Ya
Love, your family



**CAMERON
WALKER**
February 24, 1994 -
January 28, 2011
Death leaves a heart-
ache no one can heal,
Love gives us
memories no one can
steal.
Love Dad
Miss you everyday



THOMAS WHEAWAY
January 29, 2005
Forever in my heart
Karmen



SYLVIA WORSTER
May 20, 1954 -
January 26, 2006
Quietly remembered
every day,
Deeply missed along
life's way,
Just as you were you
will always be,
Treasured and loved
in our memory.
- Your family



KATHARYN CYRENITY HOPE
1971 - 2002
Death is not the end of who you are.
It is only a brief pause in the endless
cycle of your life.
Katharyn you're a spirit that can never die.
Love Mom and Dad (Ruth and Ed)

Breakup
Continued from B10

"When it's a 55-plus divorce, it's harder at that age to get back to being gainfully employed or equal to what the other person is doing," she says.

Support payments aside, there's still the matter of divvying up the assets fairly.

Typically, people want a 50-50 split of wealth acquired during the relationship (as well as the debts). The home, the RRSPs, the pensions, cars and all other assets are up for negotiation.

"When you split, it's best to get hold of the statements for all assets immediately.

"The longer you wait, the more is at risk because you may lose out on certain things," Van Cauwenbergh says. "Even with support, if you don't file for support for two or three years, the court is going to wonder whether you actually need it because it doesn't appear there was much dire need to begin with."

Financial advice is also very beneficial because not all assets are equal, even if they appear so on the surface.

"A \$300,000 house, which is subject to the principal-residence exemption and is not going to really have any tax owing on it when you sell it, will likely be worth a lot more than a \$300,000 RRSP, which is 100 per cent taxable," she says.

But even then, it can be difficult to choose, Brooks says. "If you take the house, you could be house-rich and cash-poor, not a good situation to be in," she says.

"The equity in the house can't buy you groceries." Of course, you can still sell the home and realize a tidy tax-free profit because capital gains are exempt on a principal residence, whereas RRSPs, which can roll over from one spouse to the other tax-free in divorce, are taxable when withdrawn as income.

"The clients that are with me and struggling through a divorce, I motivate them to get the house rather than the RRSPs," Quiring says, adding they would otherwise end up paying 10, 20 or 30 per cent tax on the money when used.

But it shouldn't be a snap decision. Brooks says she typically will plan out two to three scenarios for clients, such as taking the house versus receiving the RRSPs.

"I do a financial plan that forecasts all the way into retirement to determine the potential impact of a settlement." It's all about what's fair — for both parties — and while a 50-50 split is the ideal, it doesn't always happen, especially if one spouse is not up for the fight.

It's certainly understandable — and even occasionally an advisable decision, Brooks says. "I sometimes tell clients that they could end up spending a lot of money on lawyers," she says.

"Do you really want to spend \$20,000 to gain an extra \$30,000?"

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Quick facts

The cost of advice: Your retirement financial planner or investment adviser can provide a little bit of guidance to wade through the rough water of marital breakdown, but if you really want professional advice, you're best off with a certified divorce financial analyst (CDFA), says Darren Quiring an adviser with Edward Jones. He's an analyst himself, but he says they have training similar to certified financial planners, only more specific. The other big difference is they're fee-only. Tesia Brooks, a CDFA, says most charge an hourly rate ranging from \$75 and \$250 an hour.

Capital gains, adjusted cost bases, principal residence exemptions... it all sounds like Greek to you? People with little financial background often find themselves thrust into the role of household money manager. Here's a quick overview to bring you up to speed on the above terms, which are commonly heard when discussing assets' worth.

Capital gains: These refer to the potential profit that can be made on the increase in value of an asset such as a stock, bond or real estate property. For example, if you buy shares in a company for \$10 and their value increases to \$20, the capital gain is \$10 if you choose to sell those shares. That realized profit is taxable, but only half of it is taxed at your marginal (top) tax rate. So if your total income earnings were \$60,000 for the year, the marginal rate is 34.75 per cent. But because only half the capital gain is taxable, the tax rate on the realized stock profit is 17.38 per cent.

-Taxtips.ca

Principal residence exemption: Most people will realize at least one capital gain on an investment in their lifetime, but it likely will have nothing to do with the stock market. It's their home, which generally will grow in value above what they paid for it by the time they sell. Those realized profits are capital gains. But your home is subject to the principal-residence exemption, meaning those profits are tax-free. Cabins and other properties, however, are not covered by the exemption unless you choose to designate one of them a principal residence instead of the home. This can be tricky, so it's best to seek advice from an accountant.

Adjusted cost base (ACB): When calculating a capital gain, this can help reduce the amount of taxes owing because it factors in the cost of purchasing the asset. With real estate, other expenses such as upgrades to the property can also be added to the adjusted cost base to reduce the amount of taxes owing on the realized capital gains from the property's sale. While renovations that improve or add to the home, such as a pool or deck, can be included in the ACB, maintenance and repairs, such as a new roof or foundation work, can't be.

- CRA website