

# THE AMERICAN IN CANADA PLAN™



For  
Client & Co-Client Sample

DATE

Transition Financial Advisors Group, Inc.

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## I. GENERAL INFORMATION

<u><b>Client Name</b></u> Client Sample “Client”		<u><b>Co-Client Name</b></u> Co-Client Sample “Co-Client”																																									
<u><b>Date of Birth</b></u> XX-XX-XXXX	<u><b>Age for Planning</b></u> XX	<u><b>Date of Birth</b></u> XX-XX-XXX	<u><b>Age for Planning</b></u> XX																																								
<u><b>Canadian Social Insurance Number</b></u> XXX-XXX-XXX  <u><b>US Social Security Number</b></u> XXX-XX-XXXX		<u><b>Canadian Social Insurance Number</b></u> XXX-XXX-XXX  <u><b>US Social Security Number</b></u> XXX-XX-XXXX																																									
<u><b>Citizenship</b></u> UK/Canada/US		<u><b>Citizenship</b></u> UK/Canada/US																																									
<u><b>Date of Marriage</b></u> XX-XX-XXXX	<u><b>Years of Marriage</b></u> XX	<u><b>Client Employment Status</b></u> Retired	<u><b>Co-Client Employment Status</b></u> Retired																																								
<p align="center"><u><b>Contact Information</b></u></p> <p align="center">           XXX Sample Lane            Anytown, XX 00000            (000)000-0000            sample@sample.com         </p>																																											
<p align="center"><b>Family Relationships</b></p> <table border="1"> <thead> <tr> <th><u><b>Name</b></u></th> <th><u><b>Date of Birth</b></u></th> <th><u><b>Location</b></u></th> <th><u><b>Relationship</b></u></th> </tr> </thead> <tbody> <tr> <td>A Sample</td> <td>x/x/xx</td> <td>Canada</td> <td>Son</td> </tr> <tr> <td>B Sample</td> <td>x/x/xx</td> <td>Canada</td> <td>Grandson</td> </tr> <tr> <td>C Sample</td> <td>x/x/xx</td> <td>Canada</td> <td>Granddaughter</td> </tr> <tr> <td>D Sample</td> <td>x/x/xx</td> <td>Canada</td> <td>Granddaughter</td> </tr> <tr> <td>E Sample</td> <td>x/x/xx</td> <td>Canada</td> <td>Grandson</td> </tr> <tr> <td>F Sample</td> <td>x/x/xx</td> <td>UK</td> <td>Son</td> </tr> <tr> <td>G Sample</td> <td>x/x/xx</td> <td>UK</td> <td>Son</td> </tr> <tr> <td>H Sample</td> <td>x/x/xx</td> <td>UK</td> <td>Grandson</td> </tr> <tr> <td>I Sample</td> <td>x/x/xx</td> <td>UK</td> <td>Grandson</td> </tr> </tbody> </table>				<u><b>Name</b></u>	<u><b>Date of Birth</b></u>	<u><b>Location</b></u>	<u><b>Relationship</b></u>	A Sample	x/x/xx	Canada	Son	B Sample	x/x/xx	Canada	Grandson	C Sample	x/x/xx	Canada	Granddaughter	D Sample	x/x/xx	Canada	Granddaughter	E Sample	x/x/xx	Canada	Grandson	F Sample	x/x/xx	UK	Son	G Sample	x/x/xx	UK	Son	H Sample	x/x/xx	UK	Grandson	I Sample	x/x/xx	UK	Grandson
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## **II. INTRODUCTION**

### **Overview of Your Lifestyle Goals**

Client and Co-Client Sample came to Transition Financial after finding our website on the internet. They have made the decision to move back to Calgary, Alberta...

Client and Co-Client met at college in Scotland. After getting married...

Both Client and Co-Client are in good health and enjoy an active lifestyle. They are looking forward to...

In discussing their legacy, Client and Co-Client were confident that they had a value system that made them...

### **GOALS**

1. Resolve the style and location of snowbird accommodation in Arizona, if any, before making the transition.
2. Set in place, financial or tax help for Co-Client in the event that Client predeceases Co-Client.
3. Set in place financial, tax and legal help for the executor of our estate so that the role does not become overly burdensome.

### **OBJECTIVES**

1. Relocate and have Canada as a tax home in three years or less.

### **FINANCIAL PLAN OBJECTIVES**

1. Provide us with financial projections after relocation to Canada to provide insights on whether we have enough money to live in Canada for the balance of our lives.
2. Provide direction on what to do with our RRSPs, RRIFs before the relocation and afterwards in Canada.
3. Help us understand what the tax consequences are of having to file both a US and a Canadian tax return when residents of Canada.
4. Help us understand the impact of shifts in the \$US vs \$CDN exchange rate on our financial plan.
5. Help us understand the financial impacts of a move to Canada sooner rather than later.
6. Recommend an investment portfolio allocation, along with the rate of return assumptions, the range of variability in these assumptions, and confirm with a Monte Carlo simulation that the plan would meet our needs.

## **Disclaimers**

It is important to relay on to you the flaws...

Second, we are not accountants and do not prepare...

Third, we are not attorneys and do not give...

The advice in this plan is based on...

### **III. IMMIGRATION PLANNING**

A well-planned immigration strategy is the foundation to any Canada/US move...

#### **Recommendations**

1. **Canadian Citizenship** – Since you are Canadian citizens...
2. **US Citizenship** – As you are aware, you will retain your US citizenship...
3. **Sponsor Family** – One of the advantages of being US/UK citizens...
4. **UK Citizenship** – As citizens of the UK, you retain...

#### **IV. CUSTOMS PLANNING**

Customs Planning looks at what items you can...

##### **Recommendations**

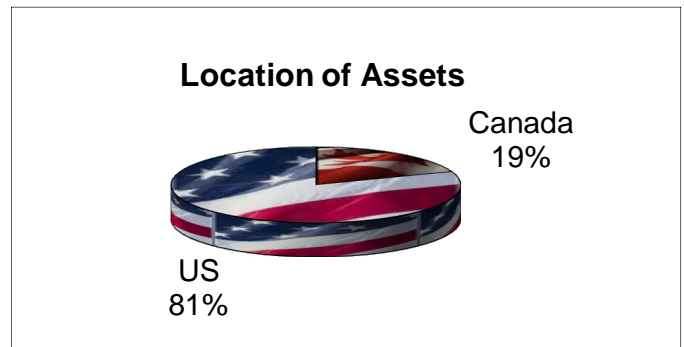
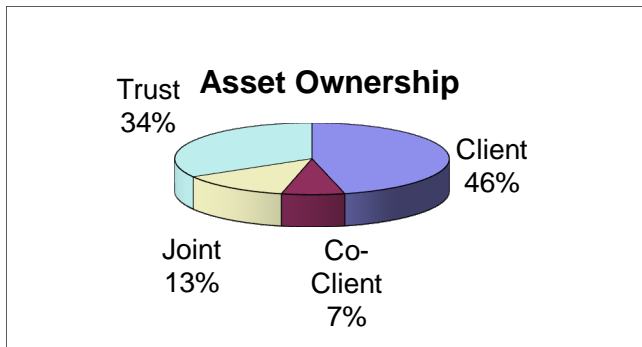
1. **Personal Property (US)** – As we discussed, it is your intent to...
2. **Personal Property (Canada)** – Your Calgary home is...
3. **Monetary Instruments** – When moving to or traveling back to Canada...
4. **Automobiles** – Moving your automobiles up to Canada...
5. **Provincial Drivers License** – The Province of Alberta requires...

## V. CASH MANAGEMENT PLANNING

Cash management planning contains several elements of review...

### Net Worth Analysis

As of XXXX, your total assets were approximately... You have no debts and 31% of your assets are in personal use assets. About 19% of your assets are located in Canada, while 81% are located in the US (*see Appendix A*). Since your primary residence will be in Canada ... This will further demonstrate... Regarding the titling of your assets, Client holds... As you begin to move your assets up to Canada and consolidate them up there, you should...



You currently have sufficient “emergency funds” available for.. Industry standards suggest... We recommend... We recommend you retain... Establishing an emergency fund is not only a practical financial tool but also...

### Recommendations

1. **Currency Exchange** – As outlined earlier, when you relocate back up to Canada, you should...
2. **Canadian Loonie vs. US Dollar** – When you relocate back up to Canada, your future retirement living expenses will be...



## **VI. INCOME TAX PLANNING**

With almost every financial decision made, the effects of taxation must... It is important to note...

### **Tax Return Review**

Based on our review, it appears your 20XX, 20XX and 20XX tax returns may have been filed INCORRECTLY for the reasons outlined below:

#### **20XX**

- It doesn't appear...
- We are uncertain if...

#### **20XX**

- Form 8891 indicates that you...
- The FBARs do not appear...

#### **20XX**

- You did not mark...
- The FBARs do not appear...
- You did not fill out...
- You did not take...

Based on the above, we recommend... Since the statute of limitations will run out on April 15, 20XX, we recommend...

### **Recommendations**

1. **Taxation of US Citizens** - Many US citizens move to Canada and often discontinue filing US tax returns because they believe...
2. **Taxation in Canada** - A resident of Canada will...
3. **Deemed Acquisition Day (Canada)** – When you establish tax residency in Canada, you...
4. **Canada and US Tax Comparisons and Differences** – Following are some of the key differences in the tax systems between Canada and the US that would apply to you:
  - In Canada...
  - In the US...
  - Canada does not...
  - Capital Gains - Canada includes...

- Dividends – Canada now provides...
  - Interest - Both countries...
5. **Equalize Assets** – In preparation for your return to Canada, you should...
  6. **Tax Projections** – Once you have prepared your 20XX US tax return....
  7. **Arizona Home** – Since you have lived in your Arizona home for the past five years...
  8. **Alberta Home** – You purchased this home in 20XX and at this point, it appears...
  9. **Tax Loss Harvesting** – The taxable portion of your portfolio may have some...
  10. **Traditional IRA** – Since Canada recognizes...
  11. **Roth IRA** – Currently, Client has a Roth IRA that has...
  12. **Charitable Donations** – When you relocate to Canada, you...
  13. **RRSPs** – Currently, Client has approximately...
  14. **Foreign Tax Credit Planning** – Both the IRS and CRA have...
  15. **Professional Fees** – Because a portion of this plan addresses investment related issues...
  16. **Renouncement of your US Citizenship** – Even though we have discussed this and you aren't intent on doing so, we thought...

*If you need assistance in implementing these tax planning ideas or require assistance in tax preparation, please feel free to contact us and we would be happy to assist you.*

## **VII. INDEPENDENCE PLANNING**

Independence planning is intent on helping you determine when you can expect...

### **Recommendations**

1. **Independence Goals** - A review of your long-term Monte Carlo projections under the US tax code reveals...
2. **Non-Deductible IRAs** – Over the years, you have been making non-deductible contributions...
3. **Tax-Free Savings Account** – Starting in 20XX, Canada is offering...
4. **Effects of Inflation** – You must be cognizant of the effects...
5. **Social Security** – You both are collecting Social Security...
6. **Canada Pension Plan** – You both are collecting CPP...
7. **Old Age Security** – You both are collecting OAS...
8. **RRIFs** – You have converted one or more of your RRSPs to a RRIF...

## **VIII. RISK MANAGEMENT**

In this section, we review areas of potential risk...

### **Recommendations**

1. **Illness in Canada** – When you relocate to Alberta, you...
2. **Illness In the US** – You both are currently...
3. **Dental Maintenance** – It appears that you are...
4. **Vision Care** – It appears that you are...
5. **Disability** – In the event either of you...
6. **Long-Term Care** – In the event you...
7. **Death** – Typically, life insurance is...
8. **Personal Liability** – In the event somebody successfully...
9. **Home Ownership** – Owning a home creates some potential risks...
10. **Personal Property** – We recommend you...
11. **Auto Ownership** – Owning your 20XX Volvo and 20XX Lexus creates potential risks...

## **IX. ESTATE PLANNING**

According to the National Network of Estate Planning Attorneys, the definition/purpose of estate planning is...

To give you the most flexibility in controlling your estate,...

1. **Revocable Living Trust** – A Living Trust provides...

- Allows you to...
- Your estate is kept...
- Eliminates the need...
- Alleviates your...
- Enables you to...

2. **Last Will** – A last will provides...

3. **General Durable Power of Attorney** – This document outlines your...

4. **Healthcare Directives** – Typically, this document combines your...

### **Recommendations**

1. **Dismantle US Estate Plan** – In the US, trusts are...

2. **Canadian Estate Plan** – We recommend you...

Last Will - In Canada, a US trust is generally...

- Avoid...
- Allows you...
- Removes...
- Can help minimize...
- Allows for the use of...

Personal Directives (Living Wills) – We also recommend you...

Enduring Power of Attorney – Again, your existing General power of attorney document should be...

3. **Taxes at Death**

US

Overall, there are many different taxes that need...

Canada

Despite popular opinion, many Canadians believe...

4. **Gift Taxes** – In Canada, there are...
5. **Beneficiary Designations** – You should review...
6. **Implement Your Estate Plan** – Once you have executed your estate planning documents...
7. **Communicate Your Plan** - Be sure you have a conversation...

*TFA does not provide legal advice or prepare legal documents. Any costs incurred in the preparation of legal documents are not included as a part of this engagement.*

## **X. INVESTMENT PLANNING**

Investment planning looks at how to structure all of your investment assets...

Based on this, we typically...

**Cash** – is a good asset class...

**Bonds** – perform well...

**Stocks** – are an excellent...

**Hedges/Alternatives** – protect the portfolio...

### **Recommendations**

1. **Diversify Your Portfolio** - Based on our review, your portfolio...
2. **Consolidate Your Holdings** – Currently, you have 15 different accounts at 10 different institutions...
3. **Investment Regulations** – When you relocate to Canada and change the address on your US accounts to Calgary...
4. **Investment Expenses** - In general, Canadian investment expenses...
5. **Currency Risk vs. Investment Risk** – As discussed in cash management, there is a balance...
6. **Consider Professional Management** – You need to consider...

## **XI. IMPLEMENTATION**

You may have heard that financial planning is...

Our role as your financial advisors is...

It is important to note...



## **XII. RECOMMENDATIONS CHECKLIST**

Should be your primary focus in the near-term	Should be monitored closely and implemented soon	Should be implemented as time permits	
	Agree/ More Info	Implementer	Key Dates
Immigration Planning			
1. Canadian Citizenship...			
2. US Citizenship...			
3. Passports...			
4. Sponsorship...			
Customs Planning			
5. US Personal Property...			
6. Canadian Personal Property...			
7. Create Property List...			
8. Monetary Instruments...			
9. Automobiles...			
10. Drivers License...			
Cash Management Planning			
11. Net Worth...			
12. Emergency Fund...			
13. Currency Exchange...			
14. Loonies...			
Income Tax Planning			
15. Previous Tax Returns...			
16. Taxation of US Citizens...			
17. Deemed Acquisition Day...			
18. Equalize Assets...			
19. Tax Projections...			
20. US Home...			
21. Canada Home...			
22. Tax Loss Harvesting...			
23. Traditional IRA...			
24. Roth IRA...			
25. Charitable Donations...			
26. RRSPs...			
27. Foreign Tax Credits...			
28. Professional Fees...			
Independence Planning			
29. Non-Deductible IRAs...			
30. Tax Free Savings Account...			
31. RRIFs...			

	Agree/ More Info	Implementer	Key Dates
<b>Risk Management</b>			
32. Illness in Canada...			
33. Illness in US...			
34. Medigap Coverage...			
35. Long-Term Care...			
36. Personal Liability...			
37. Homeowners Policy...			
38. Personal Property Inventory...			
39. Auto Policy...			
<b>Estate Planning</b>			
40. Dismantle US Estate Plan...			
41. Canadian Estate Plan...			
42. Last Will...			
43. Personal Directives...			
44. Enduring Power of Attorney...			
45. Canadian Life Insurance...			
46. Gift Taxes...			
47. Beneficiary Designations...			
48. Implement Your Estate Plan...			
49. Docubank...			
50. Safe Deposit Box Checklist...			
51. Document Checklist...			
52. Communicate Your Estate Plan...			
<b>Investment Planning</b>			
53. Diversify Your Portfolio...			
54. Consolidate...			
55. Investment Regulations...			
56. Professional Management...			

## **Appendix A – Financial Projections**

## **Appendix B – Monte Carlo Analysis**

**Appendix C – *Docubank* Brochure, Safety Deposit Box Checklist & Document  
Location Checklist**

## **Appendix D – Current and Target Portfolios**