



# Having children

## Comments

### 1. Review your employee benefits

Make an appointment with your company's human resources department to understand all the benefits available to you.

Some companies offer extended unpaid leave, pre-tax flex-spend accounts (FSAs) for child care, health insurance for your child, life insurance, and various other benefits.

Write your comments here.

### 2. Understand government programs for families

Various levels of government offer assistance to families. Assess your eligibility and how much money you could receive.

- › Estimate the government allowances you could receive.
- › Find out if you are eligible for the QPIP (Quebec only).

### 3. Update your budget

The fundamental secret to financial success is managing your cash flow effectively over the long term.

- › If you've never budgeted before, this is a good time to start.
- › You know your usual expenses: mortgage/rent, utilities, food, entertainment, etc.
- › When you have a baby, consider how much you'll spend on daycare, bottles, diapers, education, etc. so you can adjust your spending and budget accordingly.

### 4. Put money aside for your children's education

Post-secondary education is expensive, so there's no better time than a birth to start saving for your children's education.

- › A Registered Education Savings Plan (RESP) is a savings vehicle that provides saving parents with grants of up to 30%, depending on the province where they live. It also offers less fortunate parents bonuses that are not tied to contributions.

### 5. Review your legal documents

A will not only helps you distribute your assets should something happen to you, but it will also help you determine who will take care of your child.

- › Remember to take into account whether you are married or in a common-law relationship, as the will prevails if one of the common-law partners dies.
- › Consider who would be the best person to become guardian of your children in the event of the simultaneous death of the parents. Elements to consider:
  - Can this person take care of several children?
  - Does this person live near your family members in order to stay close to grandparents, for example?
  - Will this person properly manage your children's financial future? Do they have the skills? Would it be better to appoint a wellness guardian and a financial guardian to look after your children's future?



### Comments

#### 6. Review your insurance coverage

A life insurance policy may already be part of your employee benefits plan, but it may not be enough to provide sufficient financial support for your family.

- › Make sure you get help from a life and health insurance advisor to know how much life insurance coverage you need to replace your salary and determine how long it would be paid to your surviving spouse and children.
- › Make sure you have enough coverage to repay your debts so that your surviving spouse is not left with this financial burden.
- › Also, check to see if you have enough disability insurance to pay your bills if you are temporarily unable to work due to an injury or illness.

#### 7. Review your beneficiary designations

The birth of your first child is the perfect time to review your beneficiary designations to make sure they are in keeping with your wishes.

- › If you intend to bequeath assets to your children, it's probably a good idea to consider using a trust to ensure that minor children don't inherit money until they're mature enough to manage it properly.
- › If your family situation involves a blended family, it will be important to determine how you want to leave your assets to your new family, but perhaps also to the children from your first union.
- › Ask a notary, lawyer or financial planner to assess whether or not you need to create an exclusive testamentary trust in favour of the spouse to protect your surviving spouse, and to consider any bequests you would like to make after your spouse's death.

#### 8. Evaluate your tax savings

Having a child can reduce your taxable income.

- › Apply for child and family benefits, and update your tax forms with your employer.
- › Consult your accountant for advice on a level of withholding tax that is appropriate for your and your family's financial situation.
- › With the help of your accountant, review the various child tax programs, such as the Canada Child Tax Benefit (CCTB), the Universal Child Care Benefit (UCCB), the GST/HST credit, and any related provincial/territorial programs.

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