

# ADVICE FOR LIFE

Market Watch: State of the Canadian economy

When the Nest Empties: Making Your Next Move Count

Keep More of Your Retirement Money: Smart Tax Strategies That Work



**PLUS HOW A WILL PROTECTS YOUR LEGACY**

### MARKET WATCH

With ongoing trade and tariff issues taking their toll on economies worldwide, the Bank of Canada (BoC) recognizes that the Canadian economy has been slowing after several months of remaining resilient. On October 29, the BoC lowered the target overnight rate by 25 basis points (bps), to 2.25%, matching its rate reduction on September 17.<sup>1</sup> The next BoC interest rate announcement is slated for December 10.

Based on the Consumer Price Index (CPI), year-over-year inflation in Canada rose by 2.4% in September, higher than August's year-over-year CPI gain of 1.9%. One notable reason for the uptick in CPI was the price of gasoline. Although prices have continued to fall, the year-over-year decline in September (-4.1%) was considerably less steep than August's decline of -12.7%.<sup>2</sup>

In the labour market, Canada's employment level was up by 0.3% (approximately 60,000 jobs) in September, while the unemployment rate remained the same, at 7.1%, as in August. The job increase was highest among core-aged men and women (i.e., 25 to 54 years old), but employment declined among people aged 55+, and was steady for youth (ages 15 to 24). Job gains were notable in manufacturing, health care and social assistance, and agriculture, whereas employment decreased in wholesale and retail trade.<sup>3</sup>

Using a standalone seasonally adjusted annualized rate, housing starts in Canada increased by 4.1% month-over-month in September, with a total of 277,147 units, up from 245,791 units in August. On a year-over-year basis, housing starts were higher in both Montreal (135%) and Toronto (112%), with a 1% decline in Vancouver versus the year-ago period.<sup>4</sup> While home sales within Canada declined by 1.7% in September when compared to August, it still marked the strongest September for sales since 2021. The Greater Toronto Area and Winnipeg led the way, while home sales in Greater Vancouver, Calgary and Edmonton saw the largest dip. Nationally, the average sale price rose by a modest 0.7% year-over-year (actual, not seasonally adjusted).<sup>5</sup>

The S&P/TSX Composite Index and S&P 500 Index (representing Canadian and U.S. stocks, respectively) have both recently reached record highs with the general upward trend continuing despite some market volatility around trade and policy developments. These indices, representing Canadian and U.S. stocks respectively, have been supported by robust technology stocks, while Canada has also benefited from soaring gold prices. Bonds have made gains as yields across different maturities are inching downward as central banks maintain an easing policy to support economic growth.

### Growing together for good – your vote makes it happen.

Incredible news! Our regulator, FSRA, has approved our merger with Tandia Financial Credit Union. FSRA agrees – this partnership makes sense for our members and communities.

**Now it's your turn to make this exciting vision reality with your "FOR" vote.**

By combining our strengths, we're building an even stronger credit union for you, our members, with:

- **Enhanced access** through our expanded branch network across Ontario, bringing you more convenience wherever life takes you.
- **Enhanced capabilities** to invest in the digital innovation that serves you better, making your banking experience simpler and more responsive.
- **Continued product innovation** with even more competitive rates and expanded financial solutions tailored to your needs.

**We're in this together** – because you're not just a customer, you're a member-owner. The regulators have validated what we've believed all along: this merger strengthens everything you value about your credit union while opening doors to incredible new opportunities.

**Voting opens soon**, and we encourage you to vote 'FOR' the merger.

Stay connected for details on when and how to cast your vote at [TogetherWeWillGrow.ca](http://TogetherWeWillGrow.ca). If you have any questions, our branch and Contact Centre teams are ready to help. You can also email [TogetherWeGrow@alterna.ca](mailto:TogetherWeGrow@alterna.ca) to submit questions.

It remains a challenging time for investors. As always, if you'd like support and guidance on how to position your investment portfolio or manage your finances, please feel free to consult with an [Alterna Advisor](#).

1 <https://www.bankofcanada.ca/2025/10/fad-press-release-2025-10-29/>

2 <https://www150.statcan.gc.ca/n1/daily-quotidien/251010/dq251010a-eng.htm>

3 <https://www150.statcan.gc.ca/n1/daily-quotidien/251010/dq251010a-eng.htm>

4 <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/monthly-housing-starts-construction-data-tables>

5 <https://stats.crea.ca/en-CA/>



# Estate Planning Matters: How a Will Protects Your Legacy

## The Power of Planning: Why Every Member Needs a Will

Here's a question that might surprise you: how much inheritance tax do Canadians pay? The answer? None at all! That's right—Canada doesn't have an inheritance tax. And here is what makes proper planning so valuable.

While your beneficiaries won't pay tax on what they inherit, your estate will need to settle tax obligations before assets are distributed. When someone passes away, the Canada Revenue Agency treats their property as if it had been "sold" the day before death at fair market value, creating a tax obligation that must be satisfied before assets are allocated.

## Why Everyone Needs a Will

A will is your voice after you're gone. It provides clear instructions on who gets what, how dependents should be cared for, and how any business interests should transition.

If you own a home, investments, or even cherished personal items, having a will ensures they're handled according to your wishes.

Without this important document, provincial laws will determine asset distribution, which is why having your own plan is so important.

### Your Will as a Tax-Saving Tool

Your will isn't just about distributing possessions—it's also a powerful tax planning tool.

Creating a spousal trust can defer capital gains tax on property that has increased in value. With this arrangement, your spouse becomes the sole beneficiary of trust-held assets, and capital gains tax won't apply until after your spouse's death.

### Beyond the Numbers

Beyond finances, a will delivers something invaluable: peace of mind for your loved ones. Clear instructions prevent confusion and potential conflict among family members during a time when clear guidance means everything.

### Keep It Current

Life changes, and your will should too. Marriage, divorce, children, or major property transactions should trigger a will review to ensure it reflects your current wishes.

We're here to help with the financial aspects of your estate planning. While you'll need a qualified legal professional to create your will, our advisors can help you understand how various estate planning strategies fit into your overall financial health.

**Your legacy deserves a plan. Schedule a consultation with a financial advisor today to align your estate strategy with your financial goals.**

## STAY UPDATED WITH REAL-TIME RATES

Rates frequently change. Scan with your phone camera to stay updated on our featured promotional rates on mortgages, term deposits and more.



**Only 15% of Canadians** have a formal estate plan, even though 80% want to ensure their families receive their inheritance quickly after they're gone.



## When the Nest Empties: **Making Your Next Move Count**

### Is It Time for a Change?

With the kids grown and gone, that four-bedroom house offers new possibilities. Many parents find themselves wondering: "What's next for us?"

Empty nesters are making big moves—literally. From downsizing to relocating entirely, this life transition opens up exciting possibilities you might not have considered before.

### Why Make the Move?

**Space and Savings:** The house that once bustled with activity might now feel too big. Downsizing can significantly reduce your maintenance responsibilities and utility bills, freeing up both time and money for other possibilities.

**Family Connection:** Many empty nesters are choosing to move closer to their grown children and grandkids. Being nearby means more family dinners, spontaneous visits, and the chance to be part of those precious everyday moments.

**Future Planning:** Single-level homes are becoming increasingly popular as couples think ahead about mobility and accessibility. These homes offer comfort and convenience for years to come.

### Making It Work Financially

The financial side of relocating involves more than just comparing house prices. Should you buy or rent? What about renovation costs versus moving expenses?

Need help with your retirement plan: **1.877.560.0100**  
or find out more at: [alterna.ca](http://alterna.ca)

*The best advice starts with a conversation. Alterna Advisors are highly qualified.*

Our financial advisors can help you crunch the numbers and explore your options, whether you're considering a cross-country move or just downsizing locally.

**Ready to explore your options? Talk to an [Alterna Advisor](#) today to make your next chapter your best chapter.**

## Keep More of Your Retirement Money: Smart Tax Strategies That Work

### It's Not What You Earn, It's What You Keep

Retirement should be about enjoying the fruits of your labour, and keeping more of what you've earned. The good news? With the right strategies, you can significantly reduce your tax burden and keep more money in your pocket.

### Split It: Share the Load

Canada's progressive tax system means couples often pay less combined tax when income is more evenly distributed between partners. If you're married or have a common-law partner, pension income splitting may allow you to transfer some of your pension income to them for tax purposes. Consult with a tax professional about pension income splitting rules and eligibility—this strategy can result in significant tax savings.

### Time It: Master Your Withdrawal Strategy

Think of it as a tax ladder—start with accounts with defined withdrawal timelines (like RRIFs with minimum withdrawals), then move to your most tax-friendly options. Your TFSA is particularly valuable here—withdrawals are completely tax-free and won't push you into higher brackets. Better yet, keep contributing to your TFSA throughout retirement; there's no age limit, and every dollar grows tax-free.

### Keep It: Protect What You've Earned

Small withdrawals often beat large lump sums for staying in lower tax brackets. Plus, make sure you're claiming every available tax credit—programs like the Ontario Trillium Benefit add up to real savings.

Smart planning helps you optimize your Old Age Security benefits and keep more of what you've earned.

**Ready to keep more of your hard-earned money?  
Talk to an [Alterna Advisor](#) today.**

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