

Managing Your Lump-Sum Payment



Here are some tips for helping you manage a tax-free lump-sum payment.

Think about your needs and goals

- Take time to think about how you want to use or invest the money. Consider what you need today, and your goals for the future.
- Keep your money in a safe place while you think things over. (i.e. savings account, a term deposit, or a Guaranteed Investment Certificate). Ask your financial institution about your options and ensure your deposits or investments are insured.

Seek financial advice

- Find an advisor that is right for you. Ask someone you trust to recommend a financial advisor who can provide the advice you need.
- You may want to ask a potential financial advisor:
 - What kinds of services and products are offered?
 - How they are paid i.e. hourly or by commission?
 - What are the fees and costs associated with each service or investment product you buy?
 - What are their credentials, i.e., education, formal financial training and experience?

Make a plan that's right for you

- Make sure your plan is flexible so it can be adjusted to meet your changing situation.
- Have a complete picture of your current financial situation. Your financial planner will need to see:
 - what you own (your assets)
 - what you owe (your debts)
 - household income
 - expenses
 - tax returns
 - insurance policies
 - pension plan
 - legal will

Review your plan

- Review your financial plan at least once a year, or after any significant change in your life, such as a change in your family or employment situation.
- Every time you review your plan:
 - Think about the progress you've made and whether you are on track to meet your short and long term goals.
 - Determine whether your current plan still meets your personal and financial needs.

Veterans Affairs Canada may provide up to \$500, to cover some or all of the costs related to getting financial advice. Contact us to see if you are eligible or to learn how to apply.

Need more information or help?

If you need more information about managing your award/benefit, or if you want to learn about other benefits and services offered by Veterans Affairs Canada, call us at **1-866-522-2122** (English), e-mail us at information@veterans.gc.ca or visit our Web site at veterans.gc.ca.

This information is not a substitute for advice from a qualified financial professional. The Financial Consumer Agency of Canada can give you more information about financial planning and your rights when buying financial products and services. Call them at **1-866-461-3222**, or e-mail them at info@fcac.gc.ca or visit their Web site at fcac.gc.ca.

