

For the love of money, don't treat it like V-day



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Special to QMI Agency

Although it is supposed to be THE day to celebrate love, we all know that Valentine's Day can actually be quite stressful. Not only is there the hype to live up to, but many people leave it until Feb. 13 to come up with creative ideas for romantic presents, restaurant reservations or perfect cards.

The feeling is lost when you

show up late for dinner, at a bad restaurant, and frantic from buying that last-minute gift. When you try to jam all of your annual romance into a single day, it's easy to do it badly and that leads to unhappy results.

So what does this have to do with money and investing?

I know a lot of people who take care of their finances the same way they take of their romances. Instead of doing a little bit regularly, they only think about their money occasionally, wait until the last minute, and do a bad job.

Florists, waiters and waitresses, and those who sell chocolate may do a lot of business on V-Day, but it's pretty stressful. In my job

as a portfolio manager, here are my three equivalent (and least favourite) days of the year:

1) RRSP Deadline – March 2 this year (for 2014 contributions).

Some people only start thinking about their RRSP contribution when they see a February ad in the paper or when we call them the week before deadline. Usually they need to check with their accountant to even be sure of their maximum contribution amount, and this further delays the decision. Every year I receive cheques or wire transfers in the nick of time.

Set up a pre-authorized monthly transfer to your investment account. Talk to your accountant about a

plan and decide on an RRSP contribution amount that makes sense for your overall tax situation.

2) Tax filing date – April 30 for personal tax returns.

There are many different types of tax slips and reports and they are often sent from different institutions.

To further complicate matters, the mailing deadlines are not all the same. But the worst problem? People lose the information because it comes from one of several sources and it can be sent to them in a variety of ways: E-mail, regular mail, or downloaded.

Put all of your tax slips and receipts in one safe place. Wait until you have

absolutely everything that you need. Then deliver it in one package to your accountant. Keep copies.

3) Tax selling deadline – five trading days before Dec. 31.

Whether or not you have had a good year in the stock market, you do have some control over the tax implications if you have a non-registered account that is invested in individual securities.

This is a great annual opportunity to minimize tax bills, but lack of foresight can once again lead to panic and possibly selling on a day that is either too volatile or where there isn't sufficient liquidity in the market to obtain decent pricing.

Every October plan a date

to get together with your investment adviser and accountant. Review your portfolio and your realized capital gains/losses for the year so far. Put a plan in place to make the necessary sales over a reasonable period of time in a thoughtful way.

Now, how to put the romance in finance? Take this same way of thinking and apply it to your love life. Rather than waiting until Feb. 14, buy your sweetheart small gifts throughout the year.

Budget for and give a romantic card or flowers on a random day every quarter. And block some time in your calendar a few weeks ahead of the deadline to plan for the big day.