

Winter 2019



RRSP Deadline is March 1, 2019

Written by Andrew Raymer

Another holiday season has come and gone and we now look back at our successes in 2018 and plan to file our taxes. Any RRSP contributions made on or before March 1, 2019 can be claimed against 2018 income. The easiest way to contribute to RRSPs is with regular contributions, however, many people opt to add a lump sum to their RRSP this time of year as well.

A great way to increase your net worth is using RRSP contributions. Take for example a \$10,000 RRSP contribution and a 35% tax bracket. This contribution will result in a \$3,500 tax refund. You can take this refund and pay down your mortgage or invest within your TFSA. Instead of increasing your net worth by \$10,000, you've increased it by \$13,500 before your investment even begins to grow!

If you are unsure if a RRSP is for you, give us a call, and we can weigh the pros and cons of a RRSP for you.



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How Pension Plans Differ

Written by Ryan Husk

Workplace retirement plans can be confusing to say the least. Here's the basics on the most common plans:

Defined Benefit Plan (DB) - designed to provide a set amount of retirement income, based on a formula - typically based on your income.

Generally an account balance does not exist, but retirement income estimates are easy to forecast.

Defined Contribution Plan (DC)- much like any investment account, your balance is shown and is purely based on the total amount contributed and investment growth. Some allow more control over what you can invest in than others. Retirement income is not clearly defined, as it is based on income needs, investment selection, etc.

Group Retirement Savings Plan - very similar to a DC plan and is common with small businesses. Less restrictive on withdrawals, so be careful. It's seldom a good idea to make an early withdrawal from retirement savings, and in some cases you will lose some of your employer contributions if you do.

Deferred Profit Sharing Plan - often offered in conjunction with Group RSP. This is where employers' contributions flow. Not taxable until withdrawn in retirement and does not affect your RRSP contribution limits. Typically flexible investment choices.

2019 TFSA LIMIT UP TO \$6,000

The Canadian government has announced an increase to the annual limits. If you have been over 18 since 2009, your lifetime contribution limit is now \$63,500, or \$127,000 total for a couple.

Don't forget to INVEST your TFSA money, it is not simply a savings account!

- Gains are 100% tax free
- Withdrawals are 100% tax free
- Unused room is carried forward from previous years
- If you have made a withdrawal, that room is not lost, you get it back the following year
- You can invest in mutual funds, GICs, stocks, bonds, etc. within a TFSA

HAVE YOU PROTECTED ALL OF YOUR ASSETS?

Life Insurance - to ensure loved ones can keep their standard of living if you pass away prematurely. Also can be used for tax efficient estate planning

Critical Illness Insurance - pays a one time lump sum if you get diagnosed with a covered condition, gives you the option of taking time from work when you need it most!

Disability Insurance - pays a monthly benefit while you are unable to work, covers both physical disabilities and mental illnesses

Call us for more info!

Important Tips for Executors & Charitable Giving Made Easy

Monday, January 28, Tavistock Legion

6:30pm Social, 7:00pm Start

We are happy to be hosting another free seminar to anyone interested in attending. The main focuses will be on charitable giving and tips for executors. We are pleased to have booked 2 expert speakers to share their knowledge and insights with you.

An executor is a person(s) assigned to carry out the wishes laid out in a will once someone passes away. Most people assigned executor find the task overwhelming, and very time consuming. To make it more challenging, it's often a difficult time emotionally and the executor is doing a complex task they have never done before. This event will help those who have been assigned executor and also give you some thinking points on how to choose your executor. It will help lay out some of the basic things that need to be done, and more importantly, help you avoid some terrible mistakes!

We find talking with a number of our clients that they desire to be charitable in one way or another. This event will discuss the complexities with charitable giving, and how to simplify them. It will highlight the tax side of giving, as well as how some charitable giving can be done through a will, the hard way and the easy way.

We promise your wheels will be turning when this event is finished! **Please RSVP your plans for attendance! Feel free to invite your family and friends!** Here's some brief details on our speakers.



Keith Masterman, LLB, TEP - VP Tax, Retirement, & Estate Planning at CI Investments Inc.

Prior to joining the CI family in 2015, Keith was an executive at one of the big five Canadian banks where he worked in a variety of senior roles in risk and estate and trust management. While with the bank Keith spent seventeen years in the estate and trust area gaining experience in trust and estate administration and estate planning. Prior to joining the bank Keith was in the private practice of law where he worked in the estate administration, estate litigation and estate planning field.



Marlow Gingerich, Gift Planning Consultant - Abundance Canada.

He is passionate about charitable giving, estate planning, and philanthropic education. His responsibilities include showing individuals, couples, and families how to be generous with their resources, by supporting causes that are important to them, both during their lifetime and through their estate. Prior to joining Abundance Canada, he spent 16 years with Ontario Swine Improvement and has applied a great deal of his knowledge of agriculture to his role today.



ONLINE FINANCE RESOURCES

Written by Ryan Husk

Here's a short collection of online financial literacy sites.

For Kids & Youth

talkwithourkidsaboutmoney.com

As the name states, it provides angles and ideas to discuss money with kids. It also provides an annual plan to follow with them.

practicalmoneyskills.ca (Free App)

For kids ages 5 to 8. It's a game where kids earn money, and then are faced with various decisions to spend or save.

For Millennials

halfbanked.com

Being "good at money" isn't that hard. Talks about getting the big financial decisions right without sacrificing the latte

jessicamoorhouse.com

Financial tips and podcast from blogger Jessica Moorhouse. This has quickly become one of the more popular resources in Canada.

moneysense.ca

While the magazine is no longer, the website still exists and provides very relevant information.

getsmarteraboutmoney.ca

A wide range of topics and advice, including managing cash flow, retirement planning, and debt management

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