

## Office News



The year 2008 was not easy for investors. As the year draws to a close we conclude that we had more market volatility this year than any other year since we opened for business in 1986. It was truly a remarkable year. As we enter 2009 the US has a new President and the world has a renewed hope for a more compassionate and better future.

**We give thanks to our loyal clients** who stayed the course and trusted our counsel. We wish everyone a wonderful holiday season and safe travels for those who will be on the roads over the holiday season. Happy Holidays, and see you in 2009.

## Your Gift From the Government

The Federal Government has given Canadians a **special Christmas gift** this year. Starting January 2009 all Canadian residents, age 18 and older, are eligible to open a Tax Free Savings Account (TFSA). The account allows a maximum contribution of \$5000 per year to be saved and sheltered from tax.



Although similar to the Registered Retirement Savings Plan (RRSP) the TFSA has many differences. RRSPs are for long-term retirement savings, whereas the TFSA can be geared for more short-term expenses. Contributions to a RRSP are tax deductible and reduce your income for tax purposes. In contrast, your TFSA contributions are not tax deductible. Both accounts will grow tax-free.

Withdrawals from your RRSP are added to your income and taxed at current income tax rates. However, your TFSA withdrawals are not subject to tax. The capital and growth of a TFSA are withdrawn tax-free.

In addition, the amount you withdraw can be put back into your TFSA without affecting your future contribution room. If you withdraw \$5,000 in 2009, then your contribution limit for 2010 will be \$10,000. The only restriction is that you cannot re-contribute in the year that you make your withdrawal. You must wait until the following year.

If you do not contribute up to the limit in any given year you do not lose your TFSA contribution room. Unused TFSA contribution

room is carried forward to the next year and indefinitely. So if you contribute \$3,000 in 2009 then your contribution limit is \$7,000 in 2010.

The TFSA is anticipated to be a great new tax-sheltered account to help Canadians achieve their short-term personal goals. The government is encouraging savings rather than debt - whether for a car, a vacation, home renovations, or a small business start-up. It can also be used as a long-term supplement to your retirement savings. Call us today to discuss strategies on how you can take advantage of the options available in 2009 and beyond.

## Retirement Living

Whether you are making decisions for yourself or a loved one, there are **many things to consider regarding retirement accommodations**. Will you stay in your current residence and hire a care provider to visit you at your own home, or will you consider moving to a residence equipped with care facilities?

Retirement homes are places for persons in relatively good health who may have minimal or moderate care needs, however for one reason or another they cannot stay in their own home. These facilities provide a safe environment that allows for the opportunity to socialize and enjoy planned activities. They provide meals and housekeeping to residents. Health care is available if needed. Such residences allow seniors to maintain privacy, dignity and independence.

Fees associated with retirement accommodations are based on various factors determined by the residence. A brief survey of the Ottawa area showed us that prices range between \$2,000 and \$8,000 monthly.

One web site we discovered with a wealth of information and guidance is [www.senioropolis.com](http://www.senioropolis.com). This site will guide you through the many features and options offered at various residences. You can even do a search by city or region. Links to the web sites are provided for you to investigate these options from the comfort of your home.



## Planning Your Funeral

Recently, a client told us that she was **planning her funeral**. We were intrigued. This brings a whole new meaning to the practice of planning for the future. We decided to share our research on the subject.

When relatives to a deceased take on the responsibility for planning a funeral it often creates a burden of financial or emotional pressure. Loved ones are forced into making decisions while they are grieving. This can lead to “emotional over- spending.” Planning your own funeral in advance may eliminate some of the stress on loved ones and save money as well.

In addition, choosing to plan your own funeral also allows the planning process more time to discuss and consider your wishes with family members as apposed to the time constraints of an unanticipated death. You will have a say in your own funeral proceedings. Thus, providing the peace of mind that you will have a funeral that meets your own tastes, culture, beliefs and budget.

And on the financial side you will be paying for a funeral at today’s prices and today’s dollars, thus saving you money in the long run. This could save your estate thousands of dollars. Further still, often when funerals are planned in advance there is an option to pay in monthly installments, which is generally not available when funerals are planned unexpectedly.

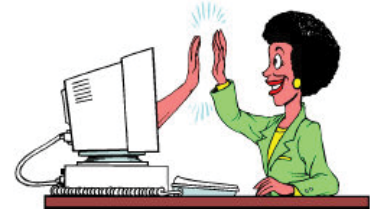
We trust this sheds some light on the concept of Pre-Paid Funerals. We gathered our information from Kelly Funeral Homes and Chapels information booklet “Getting Organized” however you can contact any funeral home in your area to find out more on the subject.



## Share Your Experiences

Retirement is change, and **change can be challenging**. Much research is indicating that retirement is considered one of life’s most difficult transitions. Without proper planning and mental preparation it can lead to a loss of where you fit into the world.

We felt that it may be interesting and helpful to hear straight from our clients how they have made the transition into retirement. If you are retired and are willing to share your experience, we would love to tell your story. It may provide insight to those whom have not yet experienced it. If you are willing to share your story, please let us know. You can forward your story by mail, email, fax, or call us if you prefer to tell your story personally. We would like to hear the good, the bad and even the ugly. We will of course maintain total confidentiality.



## Young Retired dot ca

We recommend the following web cite to **learn more about retirement planning**, and retirement activities such as volunteer opportunities, travel clubs and fitness and exercise etc. It is an excellent resource for those who are, or soon to be, retired. [www.youngretired.ca](http://www.youngretired.ca)

## Warren Buffett Speaks

Warren Buffett, considered one of the most successful investors of our time, was recently quoted as saying, “We simply attempt to be fearful when others are greedy, and to be greedy only when others are fearful.” He was referring to his pledge to place 100% of his personal wealth into the stock market given the significant decline we witnessed during 2008.



### Keep In Touch

We welcome your suggestions, ideas, comments and questions by email at [rick@invested-interest.ca](mailto:rick@invested-interest.ca).  
You can also contact us at: 1276 Wellington Street, Ottawa, Ontario K1Y 3A7.  
Phone us at 613-798-2421 or fax us at 613-798-2427

Don't forget to check our website for interesting articles, new links and updates at [www.invested-interest.ca](http://www.invested-interest.ca)

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