



Office News

Summer is upon us. Trees, flowers and lawns are in full bloom. It's a time of growth and rejuvenation.

We have planned some time off this summer however **we are available throughout most of July and August to meet, review and update your financial plan.** Call us today and book your annual financial check-up. Take time this summer to refresh your financial goals and confirm that you are on track.

We wish you an enjoyable summer and safe journeys, wherever they may be.

Guaranteed Issue Critical Illness Insurance

Over the years, **you've quite possibly seen family members, friends, or relatives suffer from a critical illness.** You undoubtedly saw to what extent sickness affects these people and those closest to them on an emotional and financial level.

The recuperation period following a critical illness can be mitigated if it is exempt from financial worries. In fact, doctors have noticed that a patient's recuperation period is aggravated by financial problems arising during their convalescence rather than by medical complications.



Recent advancements in healthcare and improvements in our lifestyles mean that people suffering from a critical illness can survive and lead normal lives for many years after. However, surviving a critical illness may result in serious long-term financial difficulties, often caused by unforeseen expenses during treatment and recovery.

If you're an adult age 18 to 60, you are eligible for Transition Simplified Issue critical illness coverage. You only have to answer a few questions about your current state of health. You have the option to keep your coverage until your 75th birthday, even if your state of health changes over the years.

A Transition Simplified Issue critical illness insurance policy will pay a lump-sum (of up to \$100,000), 30 days after the diagnosis of one of the following illnesses or medical conditions:

- cancer
- heart attack
- stroke
- coronary surgery

The benefit will be paid to you or your beneficiary tax-free, so that your primary focus can be getting well, without financial worries.

There are two optional benefits that may be purchased at the time of your original application. The Return of Premiums upon Death option gives your beneficiaries a refund of all premiums paid upon your death. The Flexible Return of Premiums option allows you to recover all premiums paid at the age of 65 or after 15 years, whichever is later. Again, these options must be purchased at the time of original application and cannot be added later.

It doesn't end there. Your premiums are guaranteed as long as you own the policy. Contact us today to learn more about Guaranteed Issue Critical Illness Insurance.

More Free Money

Did you file your 2009 tax return? If you did then **you automatically qualify for the Ontario Sales Tax Transition Benefit (OSTTB).** The OSTTB will provide temporary relief to residents of Ontario to help them adjust to the new harmonized sales tax system that comes into effect on July 1, 2010.

Cash payments will be provided to Ontario tax filers, in each of June and December 2010, and June 2011. Eligible families with income of less than \$160,000 will receive 3 payments totaling \$1,000. Eligible individuals who earn less than \$80,000 will receive 3 payments totaling \$300.

To qualify for the 2 payments in 2010, a 2009 tax return must be filed. To qualify for the 2011 payment, a 2010 tax return must be filed. You will not qualify for the free money unless you file your tax returns.



What to do with Your Tax Refund

We know that many **clients have received a tax refund this year**. If you have not decided what to do with your tax refund yet, here are some suggestions.

Pay Down Debt – This is a form of saving. As you reduce your debts your net worth increases. Always pay the debt with the highest interest rate first. Often the order of highest interest is credit cards, line of credit, automobile loans and then mortgages. Review your debts to see what interest is being charged then make your decision on what debts to pay.



Save the Money in a Registered Retirement Savings Plan (RRSP) – There's a good chance that your regularly RRSP contributions were responsible for your tax refund. By using your refund to top-up your RRSP in 2010 you will be using government money to add to your retirement savings and enhance your refund next year.

Save the Money in a Tax Free Savings Account (TFSA) – Anyone who has not yet opened a TFSA can now deposit up to \$10,000 into a TFSA in 2010. Your total limit for 2010 is \$10,000 less any deposit(s) made previously.

Saving Your Child's Education – Maybe you have children and you have opened a Registered Education Savings Plan (RESP). A \$2,500 contribution into a RESP will generate a minimum \$500 government grant. Review your circumstances to ensure that you are eligible. You can receive up to \$1,000 if you have the carry forward limit.

Spend the Refund – If you are comfortable that your financial house is in order and you have no need to pay debts or save for the future then you can always opt to spend the refund. Many use the refund as a source of funding vacations or paying for home renovations while others use the refund to make a special purchase. You know you always deserved a big screen TV.

As always the decision is yours. If we can assist with these or other ideas please contact our office to set us a meeting.

More Segregated Fund Guarantees

Our last newsletter explained some of the differences between Mutual Funds and Segregated Funds. After receiving many calls, comments and questions we decided to expand on this discussion. If you want a refresher please visit our web site www.invested-interest.ca to view the spring 2010 issue of our newsletter under the publications tab.

In addition to the guarantees of principle offered through segregated funds there is also an **optional lifetime income guarantee offered by most segregated funds**. This option is advantageous to people who want to participate in the market but are nervous about market volatility. They also want a minimum guarantee of income at retirement. It provides a hedge against falling markets and account values that could potentially lead to a decrease of income.

Most guaranteed income benefits will guarantee a minimum of 5% for life. For example, if you deposit \$100,000 into this type of plan you will be guaranteed a minimum income for life of at least \$5,000 per year regardless of market values. Some segregated funds will guarantee a minimum of 6% for life for those between the age of 75 and 80.

As with most things in life there is a cost for these benefits. There is an annual fee charged by the insurance company for the income for life guarantee.

It should be noted that these investment options are not suitable for everyone. Some prefer to take the risk and avoid the added cost of these benefits. However they do fill a void between the goals of participation in the market and peace of mind knowing that your income will never drop below a specified minimum.



Please contact us if you would like more information on segregated funds in general or specific information on this optional guaranteed income for life benefit.

Keep In Touch

We welcome your suggestions, ideas, comments and questions by email at 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

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Commissions, service and management fees/expenses may be associated with mutual fund investments. Please read the simplified prospectus before investing. Mutual Funds are not guaranteed and are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. There can be no assurances that the fund will maintain its net asset value per security or that the full amount invested will be returned to you. Fund values change frequently and past performance may not be repeated.