



LIVING IN

Retirement

Did you know?

The *Alberta Centennial Education Savings Plan Grant* will contribute \$500 to the RESP of any child born after 2005. More information can be found at <http://tinyurl.com/respalberta>.

The Government of Québec offers a tax-rebate for contributions to a child's RESP in the form of the *Québec Education Savings Incentive*. Additional details can be found at <http://tinyurl.com/respquebec>.

Canada Education Savings Grant is an additional contribution made by the Government of Canada directly to an RESP. It is a percentage of your own contribution based on your income. Typically, that's a 20% extra deposit by the government, up to \$500 each year (based on a \$2,500 contribution).

Canada Learning Bond is a start-up sum of \$500 offered by the Canadian government to get people to start their RESP contributions early. It is currently available to children born after December 31, 2003 and/or families receiving the *Baby Bonus*. Your RESP provider can provide you with additional details.

...Class is in Session

It's fall and the kids are back at school. Does the annual return to the classroom make you wonder what you might like to learn this year?

In this issue of *Living in Retirement*, we'll discuss setting up a Retirement Education Savings Plan (RESP) for a member of your family, selling your home, choosing a financial planner and going back to school (yes, you!).

Creating a Legacy: The Value of an RESP

Thirty years ago, a high-school diploma was sufficient education to land a good job. Not anymore. As Canada becomes increasingly competitive on the international stage, post-secondary education can make the difference between getting called in for an interview or not.

What's this have to do with you?

Well, if you have the opportunity to put a few dollars aside in an RESP each month, you may be able to lessen the financial burden of higher education for a family member or friend (or better yet — tell your kids to start one for your grandkids!).

What is an RESP?

An RESP is a government-sponsored savings vehicle designed to provide funds for post-secondary education. The money you put into this special savings account can grow quickly as the Canadian government offers the Canada Education Savings Grant and the Canada Learning Bond exclusively to RESP investors.

How much can I contribute? There is no annual contribution limit, but there is a total lifetime limit of \$50,000.

How can I learn more? Visit your financial institution and ask to speak to an advisor. Or visit www.canlearn.ca — the federal government's one-stop-shop for information about post-secondary education planning.

More RESP info?

Visit the Canada Revenue Agency (CRA) website: <http://tinyurl.com/respcanada> or ask your personal financial planner or local financial institution.

What's a reverse mortgage?

The Canadian Home Income Plan (CHIP), provides reverse mortgages for seniors who own their homes. Qualifying participants can receive a lump sum payment, reflecting part of the value of their home. In a sense, a reverse mortgage is registered as a loan against the property. The loan and the accumulated interest must be repaid when the homeowner dies or sells the house. Additional details can be found at <http://tinyurl.com/cmhccchip>.

Thinking of Selling Your Home?

You may have considered selling your home for a few reasons: too much upkeep, too big, too far away from where you'd like to be... or maybe you just want to cash out and head down to the Caribbean! Whatever your justification, you're far from alone: many retirees opt to sell their homes for one reason or another.

What do the experts have to say?

Some economists have been concerned for some time that Canada may be due for a residential market correction. Others remain optimistic tight federal regulations concerning home financing will prevent such a correction. In other words, no one really knows for sure.

So where does that leave you?

Selling your home is a big decision. Keep an eye on what the experts have to say, but you may want to talk to a few people before you decide. For example:

- **Talk to your family.** Get their input on the pros and cons of selling your home. Maybe there's even an interested buyer in your family?
- **Talk to a professional.** Have a local real estate agent evaluate the value of your home and the land it's built on. Ask a lot of questions, starting with:
 - How are houses selling in your area?
 - Are people getting what they are asking for?
 - How long will it take to sell your home?
 - Do you need to do any renovations to increase the value of your home?
- **Talk to yourself** (so to speak). Why do you want to sell your home? If you decide to sell, when is the right time of year? What do you want from a new home — bigger, smaller, newer? Do you want to live in a different neighbourhood or closer to your family or amenities or services, for example, a clinic or public transit?

Still not sure? Get a second opinion. And a third, if need be. As with all big decisions, get all the information you need to make the right decision for you.





Tips for Choosing a Financial Planner

What distinguishes between the good, the bad and the rest? Here are three tips we hope will help you out.

1

Do Your Homework. Financial planning is not regulated in all Canadian provinces. For that reason, it's easy for an individual who sells investments to call themselves a financial planner. But don't let this stand in your way; a little informal research can lead you in the right direction. You can start by getting a referral from a close friend or family member. Once you make an appointment, you should...

2

Value Credentials. Always check the credentials of a potential financial planner. Look for Certified Financial Planner (CFP) — this means your planner abides by the regulations and ethical code set by the Financial Planning Standards Council. And ask questions: How long have they been in the business? Are they independent or do they work for a larger organization? How do they get paid (e.g., do they earn a commission or are they paid a fee)?

3

Trust Your Judgment. Find someone you trust and like. Make sure that your planner listens to you, addresses your concerns, and understands where you are going in life. You should feel comfortable asking questions and, most importantly, your planner should be able to explain everything in straightforward, simple terms.

Just remember, if you aren't 100% comfortable, walk away and interview another person for the job. It's your money and your planner — *you are in charge.*



A financial planner can help you:

- a) assess your investment strategy
- b) plan your future financial needs
- c) find ways to minimize your taxes
- d) determine your risk tolerance

More useful information concerning choosing a financial planner:

Ten tips for choosing a financial planner, from the Toronto Star's *Moneyville* supplement:

<http://www.moneyville.ca/blog/post/1083795--10-tips-for-choosing-a-financial-planner>

Three tips for choosing the right financial planner, from Financial Highway:

<http://financialhighway.com/3-tips-for-choosing-the-right-financial-planner/>

The Financial Planning Process, from the Financial Planning Standards Council of Canada:

<https://www.fpsc.ca/node/309>

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What do you think?

If you have any comments or suggestions about this newsletter, contact us:

- Marilyn Pazitka, Director,
(905) 433-0011, ext. 2071,
pazitka.marilyn@adventist.ca
- Charisma Hodgins,
Administrative Assistant,
(905) 433-0011, ext. 2070,
hodgins.charisma@adventist.ca

We appreciate your feedback!

What Do You Know?

If you're retired and over 65, you may know much more than you think, and life's lessons may have prepared you to go right back to school — maybe even for free! So maybe the better question is: *what do you want to know?*

- Enjoy visiting art galleries? Why not learn how to paint and sculpt?
- Enjoy the art of conversation, or contemplating the mysteries of life? Take a philosophy course.
- Ever look up in the night sky and wonder which constellations are which, or ask yourself how far away the stars are? Take an astronomy course.

So ask yourself what you'd love to learn, because going back to school may be the most rewarding and inexpensive aspect of your retirement.

That's right — inexpensive

Many Canadian universities offer free tuition to anyone aged 65 and up. You can also opt to audit courses — this means you get to go to classes, enjoy the discussions, do the work (if you wish), but you don't receive grades.

Of course, rules and regulations vary according to each university or college, and free tuition is not available everywhere.

If you want more info, call your local university or college or visit their website.



SEVENTH-DAY ADVENTIST CHURCH