



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](http://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.



## 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.fpssc.ca/node/309>