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# Financial Matters

## Tax-Free Savings Account

### TFSA



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## Winter 2010

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If you know someone who could benefit from our services and would be interested in receiving our newsletter, let us know.  
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Until 2009, most Canadians held their retirement saving in an RRSP, where they could claim a deduction for their contributions and then defer tax on withdrawals until retirement. The introduction of TFSAs has provided another powerful savings vehicle that allows investment growth to accumulate and be withdrawn at any time tax-free. Unlike an RRSP, you cannot claim a tax deduction for the contributions you make to a TFSA. On the plus side, if you need to withdraw money from your TFSA, you have an opportunity to replace that money because all TFSA withdrawals are added back to your unused contribution room in the following year.

Frequently asked questions	TFSA
Is there an annual contribution limit?	Yes, a \$5,000 annual limit
Can I carry forward unused contribution room?	Yes
Is there a monthly penalty on excess contributions?	Yes, calculated on the highest excess during the month
Are my contributions tax-deductible?	No
Is my investment growth tax-deferred or tax-free?	Tax-free
Are taxes payable on withdrawals?	Withdrawals are tax-free - except for growth after death if no spouse/successor holder
Are withdrawals added to my contribution room?	Yes, in the following year.
Do withdrawals have an impact on income-tested benefits/credits?	No
What is the minimum age to contribute?	Age 18
What is the maximum age to contribute?	None
Can I use assets in this account as collateral for a loan?	Yes



## Travelling soon? Expecting visitors?

No one expects to have a medical emergency away from home, or to have to cancel a trip due to an emergency. But these events happen and they can be disruptive and expensive.

**Protect yourself. Buy Travel Insurance before you travel.  
Protect your guests. Buy Visitors to Canada Travel Insurance.**

Choose protection that suits your travel plans.

**Multi-Trip Annual Plan** – coverage for any number of trips taken within one year. Choose 4, 10, 18 or 30-day options. Visitors to Canada plan has an unlimited number of 30-day trips to Canada. Convenient. Economical. Buy once and... just go.

**Single-Trip Plan** – coverage for one trip. Choose Emergency Medical or Trip Cancellation, Interruption & Delay Insurance. Or buy our All-Inclusive plan with Emergency Medical, Trip Cancellation & Interruption, Baggage Loss, Delay & Damage, and Flight & Travel Accident coverage in one plan. Visitors to Canada plan offers coverage for one trip with optional benefits such as Trip Interruption and Travel Accident coverage.

**Flexible. Easy. Wise.**

To get convenient quotes online go to our website [www.soulliere.com/ins\\_travel](http://www.soulliere.com/ins_travel) or contact us for any questions

## RESPs - Investing for Education

### Helping you to create a brighter future for a child

A post-secondary education is one of the most important gifts a child can receive. Not only can it provide better career opportunities and self-confidence, it has far reaching economic benefits as well. By understanding the benefits of opening a Registered Education Savings Plan (RESP), you are taking an important step in the financial planning process towards offsetting the high costs of a post-secondary education.

### WHAT MAKES THE RESP THE SMART CHOICE?

- Tax-deferred investment growth**  
 Contributions made to an RESP can accumulate and grow tax-free over the life of the plan. When withdrawals are made for the purpose of education, only the growth and grant portion of the plan is taxable in the hands of a child. Moreover, because the child will likely be reporting a low level of income while they are attending school, the amount of tax they can expect to pay should be minimal.
- Easy access to government grants**  
 Contributions to an RESP may qualify for the Canada Education Savings Grant (CESG). Through the [CESG](#), the federal government will contribute 20 per cent of the annual RESP contribution to a maximum of \$500 per child per year.
- More control and flexibility**  
 With an RESP, there is complete control over how much is contributed each year, although there is a lifetime limit of \$50,000 per beneficiary. Furthermore, a client can invest in a portfolio of growth-oriented investments from a wide range of mutual funds.

An RESP from Mutual Funds also gives you a choice between two plan options: Family plans and Individual plans. A Family plan is suited for subscribers related by blood or adoption, and want to designate more than one beneficiary. An Individual plan is suited when one beneficiary will be designated.

- No foreign content restrictions**  
 There are no foreign content restrictions for an RESP. Therefore, using mutual funds that invest outside of Canada make it easy to build a properly diversified RESP portfolio
- Low minimum investment**  
 You can open an RESP for as little as \$25 per month

## Updates for new Life Income Funds (LIFs) in 2010

### Ontario Pension Regulation Changes

You may be aware that on June 19, 2009 the Ontario Government introduced changes to the legislation governing Ontario Pension Benefits. Among other affected tax types, these changes impact NEW Life Income Funds (LIF's).

Previously, owners of new LIF contracts could unlock up to 25% of the original amount transferred into their new LIF effective January 1, 2010. This amount increased to 50%. Therefore, existing new LIF may unlock (withdraw or transfer to an RRSP or RRIF) up to an additional 25% of the original amount transferred into their contract on or before December 31, 2009.

**Unlock  
50% now**

This is a one-time opportunity available to new LIF owners between January 1, 2010 and December 31, 2010



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*Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund's simplified prospectus before investing. Mutual fund securities are not guaranteed, their values change frequently and past performance may not be repeated.*

*The information contained in this newsletter provides general information and is not intended to be comprehensive investment, medical, financial or legal advice to any individual or business. We strongly recommend that any queries be directed to an appropriate professional advisor. If you have any questions or issues that have risen from reading this material, please call our office.*

Winter 2010

### Local Events

**Feb 20 -21**  
**The Business Expo**  
 Caboto Club

**Feb 28**  
**Bowl-a-thon for**  
**Homeless Animals**  
 Windsor Humane  
 Society  
 Bowlero Lanes

**Mar 8**  
**International**  
**Womens Day Gala**  
 St. Clair Centre for the  
 Arts

**Mar 13**  
**Musical Zoo**  
 Windsor Symphony  
 Windsor Library

**Mar 29**  
**La musique sublime**  
 Windsor Symphony  
 Chrysler Theatre

**Apr 8 - 10**  
**Southern Ontario**  
**Wine and Food**  
**Festival**  
 Windsor Expo Centre

**Apr 17**  
**Free Child Safety Seat**  
**Inspection**  
 LaSalle Fire Service

**Apr 29**  
**Stars on Ice**  
 WFCU Centre

For more information on the above events, or to find out about more exciting events, visit:  
[www.citywindsor.ca](http://www.citywindsor.ca)