

A Husband's Point Of View

A.M.H. Financial Services

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On the Lighter Side

Housework won't kill you but why take a chance?

The best way to get rid of kitchen odours is to eat out!

Old age is when the liver spots show through your gloves.

You know you're old if they've discontinued your blood type.

His finest hour lasted a minute and a half.

It's that time of year again when the banks have a blitz on RRSPs.

A Registered Retirement Savings Plan (RRSP) is a personal savings plan registered with the Canadian federal government allowing you to save for the future on a tax-sheltered basis. Whatever your age or personal situation, it's never too late to take advantage of the benefits an RRSP can offer.

It is important to understand RRSP basics to ensure you choose the right investment options for your RRSP.

An RRSP is an investment portfolio - your designated retirement savings. It can contain a variety of investments including: RRSP savings deposits, treasury bills, guaranteed investment certificates (GICs), mutual funds, bonds, and even equities.

What makes an RRSP special is that your contributions to it are tax deductible and your portfolio grows tax sheltered. If you are under 72 years of age and earn income, I encourage you to take advantage of the benefits an RRSP can offer.

While designed specifically as a retirement vehicle, an RRSP has benefits throughout your lifetime. By contributing to an RRSP throughout your working career, you'll realize immediate tax benefits at a time when your income is generally highest.

For more information please contact me at **780-425-4058** or e-mail me at andy@amhfinancial.ca



If you don't have money available right now we have RRSP loans available to help you maximize your tax savings!

Call us today **780 425-4058**

What is an RRSP?



Get a head start on your retirement!

A registered retirement savings plan (RRSP) is a personal savings account that has special tax advantages. RRSPs can hold a variety of qualifying investments, including treasury bills, guaranteed interest products, mutual funds, segregated fund contracts, bonds and equities. As well, some types of investment contracts, such as registered guaranteed investment fund contracts, are themselves RRSPs.

An RRSP is such a powerful savings vehicle because your contributions are tax deductible, and the taxes on any investment growth are deferred until you take your money out. Tax-deductible contributions mean you'll have more of your income available for your current needs, even while you're saving for the future. And tax-deferred investment growth (interest, dividends, capital gains) keeps more of your money working for you.

When you withdraw money from your RRSP, it is taxed at your tax rate at the time you take it out. But if you're like most people, you'll be retired when you start to take withdrawals, so your tax rate will likely be lower than when you were employed, and you'll be able to keep more of your hard-earned money.

You should consider an RRSP if:

- You want to save money for retirement and be able to deduct your contributions from this year's income
- You're looking to reinvest your tax savings
- You want to use your tax savings to pay down non-tax-deductible debt, like your mortgage



Call AMH Financial today to start or review your RRSPs
(780) 425-4058

RRSP contribution limit

RRSP contributions can lead to good news at tax time, because they're deductible. But everything has its limits, including your RRSP. The CRA tells you your RRSP contributing room in the tax assessment you get after filing your tax return each year. Although you could calculate your contributing room by yourself, it's easier to rely on the CRA's calculation. Generally, you're allowed to contribute up to 18% of your previous year's earned income, to a maximum set each year by the Income Tax Act and Regulations, plus any unused contributing room carried forward from prior years.



Quick Facts about RRSPs

- You can contribute to an RRSP if you earn income, are under age 72 and are a Canadian citizen.
- RRSP contributions reduce your taxable income and your savings are not taxed until you withdraw them at retirement, when you will most likely be in a lower tax bracket.
- You can borrow up to \$25,000 from your RRSP to make a down payment on your first home through the federal government's Home Buyer's Plan.

Types of Registered Retirement Savings Plans (RRSPs)

Individual RRSPs

- This is an RRSP registered in your own name, and to which only you contribute.
- The amount you contribute to your RRSP is tax deductible. You pay tax when you withdraw your money; if you're in a lower tax bracket then (which will presumably be the case if you're retired), your eventual tax bill will be lower.
- If you transfer the value of your registered company pension into an individual RRSP after leaving your employer, that RRSP is "locked in," meaning you usually can't withdraw money from it until you retire.

Spousal RRSPs

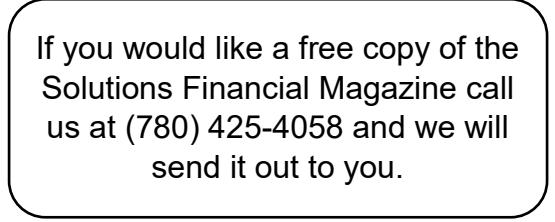
- This is an RRSP registered in the name of one spouse, to which the other spouse contributes.
- Whether you contribute to your own RRSP or to your spouse's spousal RRSP, your contribution counts against your own **RRSP contribution limit**. Your spouse's contribution limit is not affected.
- If you contribute to your spouse's spousal RRSP, and your spouse withdraws money from it within 3 calendar years, you pay the tax, not your spouse.
- Once you retire, you and your spouse can take income from your respective retirement funds and be taxed at an individual rate.

Group RRSPs

- This is an RRSP set up in the name of a group (such as the employees of a company or the members of a professional organization).
- Members of a **group RRSP** typically benefit from lower administration and management fees than would be applied to an individual plan.
- You may also be able to contribute through payroll deductions, which allows you to invest throughout the year.
- It's important to remember that you are responsible for staying under your contribution limit.



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TRIVIA

1. A boat stabilizer is called what?
2. What was Paul Bunyan's tool of choice?
3. The Taj Mahal is located in what city?
4. In the U.S., what is known as the busiest shopping day of the year?
5. What has a spine but no brain?

5. A book
4. Black Friday
3. Agora
2. Axe
1. A keel

ANSWERS



MY COMMITMENT AS A FINANCIAL ADVISOR IS TO HELP PEOPLE TO REACH THEIR FINANCIAL GOALS. IF YOU HAVE A FAMILY MEMBER, FRIEND OR COLLEAGUE WHO YOU FEEL COULD BENEFIT FROM A CONVERSATION WITH ME, I WOULD BE PLEASED TO SPEAK WITH THEM WITHOUT OBLIGATION.

I believe that every individual has an unalienable right to make the best and most effective use of hard-earned income, to have easy access to up-to-date and informed advice, and to be able to provide for short and long-term requirements.



My mission is to help you to make an educated decision that you are comfortable with!



I am committed to serving the individual customer with investment and financial portfolios which will meet current needs and provide for future requirements and situations.

Things That Go Through Your Head When You Can't Sleep

- ◆ If you attempt to rob a bank you won't have any trouble with rent/food bills for the next 10 years, whether or not you are successful?
- ◆ Do twins ever realize that one of them is unplanned?
- ◆ What if my dog only brings back my ball because he thinks I like throwing it?
- ◆ If poison expires, is it more poisonous or is it no longer poisonous?
- ◆ Which letter is silent in the word "Scent," the S or the C?
- ◆ Why is the letter W, in English, called double U? Shouldn't it be called double V?
- ◆ Maybe oxygen is slowly killing you and it just takes 75-100 years to fully work.
- ◆ Every time you clean something, you just make something else dirty.
- ◆ The word "swims" upside-down is still "swims".
- ◆ Intentionally losing a game of rock, paper, scissors is just as hard as trying to win.
- ◆ 100 years ago, everyone owned a horse and only the rich had cars. Today everyone has cars and some of the rich own horses.
- ◆ Your future self is watching you right now through memories.
- ◆ If you replace "W" with "T" in "What, Where and When", you get the answer to each of them.
- ◆ Many animals probably need glasses, but nobody knows it.
- ◆ If you rip a hole in a net, there are actually fewer holes in it than there were before.
- ◆ If 2/2/22 falls on a Tuesday, we'll just call it "2's Day". (It does fall on a Tuesday)