

A Husband's Point Of View

A.M.H. Financial Services



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INSIDE THIS ISSUE:

What the heck is a TFSA?	2
Features of Registered Savings Plans	3
Our Mission	4



Happy New Year! I wish you and your families health, happiness and prosperity in 2018!

When its time to decide which mix of savings vehicles is right for you, your options can start looking like a hearty bowl of alphabet soup. There are Registered Retirement Savings Plans (RRSPs), Tax-Free Savings Accounts (TFSA) and Registered Education Savings Plans (RESPs). Determining which savings plan, or combination of savings plans is best, depends on your personal situation and your objectives.

Until 2009, most Canadians held their retirement savings in an RRSP, where they could claim a deduction for their contributions and defer tax until withdrawals were made which

generally occurred at retirement. The introduction of TFSA's has provided another powerful savings vehicle that allows investment growth to accumulate and be withdrawn at any time tax-free.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 but not until the following year.

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



**A Husband's
Point of
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On the Lighter Side

Even though children are deductible, they can also be very taxing.

Why do bees hum? They don't know the words.

What two words have the most letters? Post Office

Invest in a dairy farm and you'll have lots of liquid assets.

Why is it called a building when it has already been built?

Perhaps it's the word savings that causes people to limit the way they use the TFSA (statistics show that an overwhelming 94% of TFSA assets are parked in savings accounts or fixed-term deposits). This means very little interest is paid out!

Call us today 780 425-4058 for more information on TFSA's and how to earn the best return!



What the heck is a TFSA? Tax-free savings accounts are poorly named



The Tax-Free Savings Account is not just a savings account. And one of the greatest mistakes people make right now is to not realize that their money can do more than just sit there. What it should *really* be called is a Tax-Free INVESTMENT Account. A TFSA allows you to buy equities like stocks, mutual funds, GICs, bonds and of course ETFs so your money can grow tax-free.

If you're asking, what's the catch, well, there isn't one unless you count the yearly limit for the amount of money you can deposit into the TFSA (although that limit grows each year). And the great thing about TFSAs that's particularly helpful for people with shorter-term savings goals is that you can withdraw the money at any time without getting dinged or taxed or levied in any way. Pretty sweet.

This one-word mix-up is one that plagues many Canadians, but it is especially confusing for folks just starting out, who until this point have probably only had a standard savings account. A "savings account" to many people means a virtual box to stash your cash, where it'll gain the tiniest bit of interest and that'll charge you fees to withdraw money. Basically, it's the less convenient alternative to a chequing account.

The "S" in TFSA has become a bit of a misnomer. That's why many people treat them as a glorified savings account, keeping most of their funds in things like cash and Guaranteed Investment Certificates.

Low risk? Sure. But the returns are pitiful. However, it's only when you combine higher returns with tax-free growth that you really unlock the wealth-building power of TFSAs. That's why if you have a long-term investment horizon, you should consider holding investment funds, stocks, bonds, and REITs in this account.

Making the most of your TFSA dollars!

Call AMH Financial today to start or review your TFSA Investment account!



TFSA Contribution Limits			
2009	2010	2011	2012
\$5,000/yr = \$20,000			
2013		2014	
\$5,500/yr = \$11,000			
2015			
\$10,000			
2016	2017	2018	
\$5,000/yr = \$5,500			
TOTAL ROOM = \$57,500			



Features of Registered Savings Plans

	RRSP	TFSA
Is there an annual contribution limit?	Yes it is based on previous year's earned income	Yes, an annual limit but there are no earning requirements
Can I carry forward unused contribution room?	Yes	Yes
Is there a monthly penalty on excess contributions?	Yes, calculated at month-end	Yes, calculated on the highest excess during the month
Are my contributions tax-deductible?	Yes	No
Is my investment growth tax-deferred or tax-free?	Tax-deferred	Tax-free
Are taxes payable on withdrawals?	Withdrawals are fully taxable	Withdrawals are tax-free - except for growth after death if no successor holder
Are withdrawals added to my contribution room?	No	Yes, but not until the following year
Can withdrawals have an impact on income-tested benefits/credits?	Yes	No
What is the minimum age to contribute?	None	Age 18
What is the maximum age to contribute?	At the end of the 71st year or 71st year of spouse in case of spousal plan	None
If I borrow to invest in this account, can I deduct the interest?	No	No
Can I use assets in this account as collateral for a loan?	No	Yes



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Financial Advisor
Since 1976



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TRIVIA

1. According to Greek mythology, who was the goddess of victory?
2. What type of tree drops acorns?
3. An antidote is a cure, a small insect, or a cryptic remark?
4. What is the name for a yellow, seedless raisin?
5. A lanai is a roofed patio T/F?

Answers
1. Nike
2. Oak
3. Cure
4. Suttana
5. True



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.

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.



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



Healthy and Realistic New Year's Resolutions for 2018

We all tell ourselves that in the coming year we're going to completely stop eating junk food, workout 4-days a week at the gym, and walk to work everyday even when it's 8 kms away. However, making health vows that are too big may be the very thing that ruins your efforts.

Every year, millions of people make New Year's resolutions, but research suggests only a fraction actually keep them. Things like weight loss and getting more exercise are typically among the most popular resolutions, but this year a new Marist poll found that "being a better person" tops the list. For many people, this is generally a time of year when there is reflection about how their year has gone, and what they're looking forward to in the coming year. But if you're like most people, your resolve to get in better shape, declutter your home, learn a new language, or "be a better person" likely dissipates by the time February rolls around.

Experts note that around half of us make New Year's Resolutions, and only 1-half of that group makes it past mid-January. So, instead of deciding to lose 50-pounds by March, make realistic goals that can improve your well-being and that you can build on...

HAPPY NEW YEAR!