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SPRING 2012



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## Safe, protected and guaranteed investments in an uncertain market

It is always a smart idea to invest in stable, protected and guaranteed products and services. It is a smart idea to give your family the peace of mind that comes from being organized and an even smarter idea, to save money and taxes. These are the features of a pre-paid funeral fund.

Alex Lucas, Assistant Vice President of Product Development and Marketing at Manulife Bank, one of the largest providers of GIC's for pre-paid funeral funds, agrees that pre-paying a funeral can be one of the better investments to make, despite a slow investment market. "Pre-paying a funeral helps to ensure your loved ones don't have to worry about these expenses during an already difficult time. The money you set aside is shielded from market volatility and this program may even simplify your estate plan. This is why it is worth

investigating despite a slow economy," he advises.

In Ontario, pre-paying your funeral guarantees your costs and ensures your family won't have to pay more when you sign a pre-paid contract with a licensed funeral establishment. Your pre-payment earns interest which offsets the rate of inflation. The interest earned is tax free for a funeral service amount of up to \$15,000 or \$20,000 for cemetery property. The investment is safe and the funds can be transferred or cancelled with your written request.

Funeral Establishments in Ontario are required, by law, to deposit the pre-paid funds you pay, with a financial company. The funding is very closely regulated for the protection and safety of your investment. The funds may only be deposited into an interest producing account or

## Please Be Our Guest

Join us for a complimentary meal and honest discussion as two dynamic speakers share their experience and their knowledge on:

### Planning Ahead and Being Prepared

#### BURLINGTON

Tuesday, April 17, 2012

5:30 p.m.

Burlington Seniors' Centre

2285 New Street

Ph # 905-632-3333

#### STONEY CREEK & GRIMSBY

Wednesday, April 18, 2012

5:30 p.m.

454 Highway #8

Stoney Creek, ON

Ph # 905-664-4222



**ALYSON**

**SWEETLOVE**

Lawyer

Ross & McBride

#### HEATHER KITELEY

Pre-planning Manager,  
Guaranteed Funeral  
Deposits



Call your local chapel or email  
[info@smithsfh.com](mailto:info@smithsfh.com)



## Minimizing mortgage costs

### Increase your payment amount:

It may take some adjusting to work into your budget, but increasing your monthly payment amount can save you thousands of dollars in interest over the duration of your mortgage and reduce the life of your mortgage for several years. For example, suppose you have a 5- year fixed mortgage of \$250,000, your monthly payment is \$1,104.04 and you increase it to \$1,200.00, you will save about \$ 21,128.95 in interest and own your home 4 years earlier.\*

### Increase the frequency of your payments

While the most common payment plan is monthly, try making smaller payments more frequently. You could reduce the interest you pay and your principal more quickly. For example, if you broke your monthly payment of \$1,200.00 into accelerated bi-weekly payments of \$600, you would own our home approximately 4.5 years earlier.\*

### Pay more when you can

If you chose a mortgage that lets you make contributions outside your regular payment date, taking advantage of it whenever you can offers considerable savings. Your contribution goes directly towards your outstanding principal so your mortgage is immediately reduced by the full amount. Taking full advantage of opportunities to reduce your principal really maximizes a payment and is an effective way to reduce your mortgage. Consider reworking your budget to set aside funds for additional payments.

\* For illustration purposes only. Payment option scenarios assume a 5 year closed, fixed mortgage with a 30 year amortization. Actual rates will vary, which will affect your payment amount, your mortgage payout and the amount you could save.

- Alexandra Evans-Munoz  
<http://widowed.ca/minimizing-mortgage-costs/>

## Canada Pension Plan/Old Age Security Quarterly Report – Monthly Amounts and Related Figures From April to June 2012

### Canada Pension Plan (CPP) and Quebec Pension Plan (QPP)

Type of benefit	New benefits Maximum amount, 2012		Number of benefits January 2012		Amounts paid January 2012	
	CPP	QPP	CPP	QPP	CPP (in millions)	QPP (in millions)
Retirement (at age 65)*	\$986.67	\$986.67	4,087,173	1,477,034	\$2,144.4	\$693.8
Disability	\$1,185.50	\$1,185.47	328,031	70,681	\$276.3	\$67.3
Survivor – younger than 65	\$543.82	(see Note 1)	237,688	76,504	\$89.6	\$49.7
Survivor – 65 and older	\$592.00	\$592.00	807,845	278,610	\$248.5	\$85.7
Total – Survivor benefits			1,045,533	355,114	\$338.1	\$135.4
Children of disabled contributor	\$224.62	\$71.32	81,631	7,607	\$18.4	\$0.8
Children of deceased contributor	\$224.62	\$224.62	67,681	15,218	\$15.2	\$3.4
Death (maximum one-time payment)	\$2,500.00	\$2,500.00	10,011	4,072	\$22.7	\$10.0
<b>Total CPP/QPP benefits</b>			<b>5,620,060</b>	<b>1,929,726</b>	<b>\$2,815.1</b>	<b>\$910.7</b>
<b>Combined benefits</b>						
• Survivor/retirement (retirement at 65)	\$986.67	\$986.67	724,536	227,192	\$541.6	\$153.2
• Survivor/disability	\$1,185.50	Not applicable	14,664	2,550	\$14.3	\$2.8
<b>Total – Combined benefits</b>			<b>739,200</b>	<b>229,742</b>	<b>\$555.9</b>	<b>\$156.0</b>

\* Starting in January 2012, if you are 60 to 65 years old, working outside of Quebec and receiving a retirement pension from the CPP or the QPP, you must make CPP contributions toward the Post-Retirement Benefit. If you are at least 65 years old but under 70, you may elect not to make such contributions. The Post-Retirement Benefit will be paid to you automatically starting in 2013, if you are eligible. More information is available on the Service Canada Web site at [www.servicecanada.gc.ca/cppchanges](http://www.servicecanada.gc.ca/cppchanges).

Source: <http://www.servicecanada.gc.ca/eng/isp/statistics/rates/aprjun12.shtml>

## Tax tips for seniors

For many Canadians over 65 years old, the tax season can seem overwhelming. It doesn't have to be, however. Cleo Hamel, a senior tax analyst at H&R Block Canada, offers tips for seniors who want to get the most from their 2011 tax return:

### **Pension Income Splitting:**

Canadian residents can split up to half of their eligible pension income with their spouse or common-law partner. Income splitting allows some seniors to receive a substantial tax reduction. Tax software packages

like H&R Block At Home will automatically determine the best income split to get the most tax savings.

### **Benefit from Your Benefits:**

Seniors who receive Guaranteed Income Supplement (GIS) through Old Age Security should file on time to ensure their benefits continue without interruption.

**Split your CPP and Save:** You may be able to split part of your CPP retirement benefits with

your spouse depending on how long you have lived together when you were contributing to the plan. This is an advantage if one senior is in a higher tax bracket than the other. Remember though, you must apply to Human Resources & Social Development Canada using Form ISP-1002. It can't be done on your tax return.

<http://www.newscanada.com/print-mar-tax-time-quick-tips-for-seniors-71642>

# Contact Us!

preplanning@smithsfh.com

www.smithsfh.com

## Smith's Funeral Home

485 Brant St.  
Burlington, ON L7R 2G5  
Telephone: (905) 632-3333  
Fax: (905) 632-3600

## Smith's Funeral Home

1167 Guelph Line  
Burlington, ON L7P 2S7  
Telephone: (905)-632-3333  
Fax: (905) 632-3600

## Stonehouse-Whitcomb Funeral Home

11 Mountain St.  
Grimsby, ON L3M 3J7  
Telephone: (905) 945-2755  
Fax: (905) 945-2796

## Smith's Funeral Home Stoney Creek Chapel

454 Highway #8  
Stoney Creek, ON L8G 1G6  
Telephone: (905) 664-4222  
Fax: (905) 664-6449



# Investments

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used to purchase a Guaranteed Investment Certificate (GIC), an Insurance Policy, or an Annuity.

“All these different products that are used to fund pre-arrangements are safe, fully guaranteed, regulated by the Provincial government and monitored by the Minister

of Consumer Affairs through the Board of Funeral Services,” says Michael Palmer, Advanced Planning Funeral Director at Smith’s Funeral Home.”

“Pre-paid funds are deposited specifically in your name and are protected and guaranteed by Government backed organizations.”

Ontarians are increasingly realizing the value of pre-arranging their final wishes.

In 2010, of the 88,868 people who died in Ontario,

approximately 24 per cent of their commemorative services were pre-paid; a trend that is increasing every year.

Dorothy Warren, Senior Manager, Commercial Deposits and Cash Management Services at Meridian Credit Union, says

“Securing one’s final expense via a pre-planned funeral contract makes for a secure

investment, fixes the cost and provides tax free benefits.”

Even with a slow economic environment, pre-paying for one’s funeral defies the current advice to be reluctant about new investments. “The stability of the investment, the consistent rate of return and the savings on tax all make pre-paid funerals an investment worthy of consideration,” says Robert Csele, Advanced Planning Director at Smith’s Funeral Home.

## The money you set aside is shielded from market volatility

If you would like further information on funeral planning and a free planning guide, please call your local chapel, or detach and return this form to an address above.

Name: \_\_\_\_\_ Title: (Check One) Mr.  Mrs.  Ms.

Home Address: \_\_\_\_\_ Unit No. \_\_\_\_\_ City: \_\_\_\_\_

Phone: \_\_\_\_\_ Best time to call: Between \_\_\_\_\_ am \_\_\_\_\_ pm

Email Address: \_\_\_\_\_