

# A SOUND FINANCIAL PLAN

SUMMER 2012

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## FINANCIAL SERVICES GROUP



### Attention Grandparents:

*When a child is born, so is a grandmother.* Italian Proverb

Summer is a wonderful season as we get to spend more time with our precious children and grandchildren. Almost 2 years ago, our family was blessed with our first grandson, Mason Ryder. Although I was over-the-top with excitement, it became evident to me that grandparents are truly born upon the arrival of a child. On Mason's first birthday, you can well imagine the party, the food, and yes, the gifts. While we grandparents were so thankful for all the attention and "stuff" Mason was receiving, our objective was to also give him a financial "kick start". Our dilemma was choosing a product that would be appropriate for Mason, without interfering in the plan that his parents Jeremy and Kim would implement.

This newsletter is written with the intent to inform our clients, particularly parents and grandparents, of a few financial options to consider:

- 1) **Registered Education Savings Plan:** a qualifying 20% government grant on annual deposits up to \$2,500. This amounts to \$500 per year if maximized.
- 2) **Savings Accounts:** 1.75% on the first dollar - see our "piggy bank program" for details.
- 3) **Tax Free Savings Accounts:** for our 18 year olds and older - \$5,000 per year maximum for 2009 through 2012 - \$20,000
- 4) **Annuities:** tax-preferred growth, creditor protected and beneficiary designation preferences
- 5) **Life Insurance / Child Protection Riders:** specifically to protect future insurability - an inexpensive way to solidify and guarantee our young people will qualify for life insurance and critical illness insurance in future years. An excellent way of removing money from our tax system and accumulating it tax-sheltered - and yes, it is legal.

*And while we considered these options for our own grandson, Mason's life was about to change although he really did not know it. On June 7, 2012, his sister Kylee Collins was born and as the proverb goes, so was a grandmother.*



## The Future Value of \$3.41 per Day

Value at Age

	18	25	55	65
<b>Age 0</b>	\$35,724.69	\$57,235.09	\$258,234.50	\$397,791.28
<b>Age 5</b>	\$23,600.49	\$41,280.47	\$206,487.34	\$321,192.84
<b>Age 10</b>	\$13,635.28	\$21,166.94	\$163,954.94	\$258,234.50
<b>Age 15</b>	\$5,444.61	\$17,388.57	\$128,996.41	\$206,487.34
<b>Start Age</b>	<b>Post Secondary</b>	<b>House Down Payment</b>	<b>Early Retirement</b>	<b>Normal Retirement</b>

*The value of compound interest and time* is very powerful.

With a small investment of every coin that exists in our monetary system: **1 penny, 1 nickel, 1 dime, 1 quarter, 1 loonie and 1 toonie** equal to **\$3.41 per day**, you can see the future values of this savings at some major milestones in your grandchild's life.

*\*assumed 4% rate of return*

## Do Your Grandchildren Have Too Much "Stuff"?

Today, we often hear many Grandparents exclaim:

*"Our grandchildren have too much stuff."*

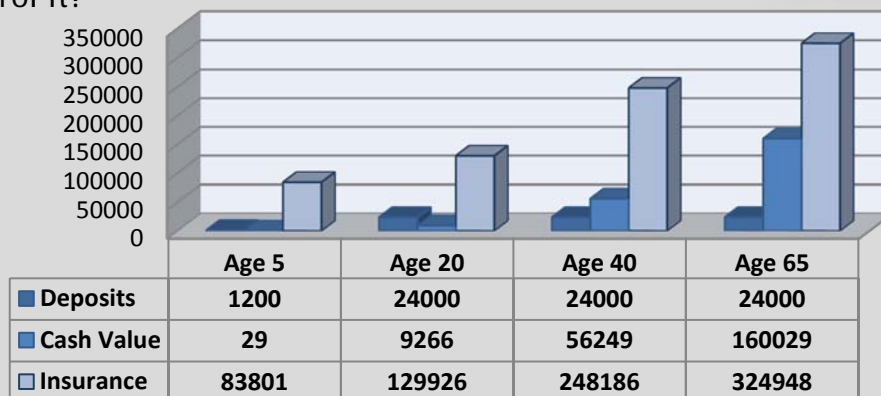
*"Our grandchildren do not appreciate the value of a dollar."*

*"Our grandchildren do not know how to save for the future."*

Would you like to help your grandchildren by providing them with a lasting, meaningful, important gift and legacy they will treasure for years and admire your wisdom and foresight in doing so?

We have a tremendous, easy, guaranteed opportunity for less than \$3.41 per day (\$100 per month):

- Provide a tax efficient legacy
- Create a meaningful account
- Guarantee future access to life insurance at regular rates
- And YOU control it!



Assumes female age 5, Whole Life Insurance Policy, guaranteed 20 pay, paid up additions, current dividends less 2%, \$100 per month payment, initial insurance of \$83,347 with flexible guaranteed insurability option of \$25,000 at age 21, \$225,000 at age 25, and \$250,000 at age 30.

## Celebrating 35 Years in Business: 1977-2012

Office Hours: Monday through Thursday- 8:30 am to 4:30 pm

Financial Services Group supports a healthy family lifestyle. This Holiday Season we will be taking the opportunity to enjoy time with our families between December 23rd, 2012 and January 1st, 2013. Regular business hours will resume on January 2nd, 2013. We thank you for your continued business and appreciate your ongoing support.

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