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P.I.N.K.™ Events

(Protection, Investment, and the Need
for Knowledge)

We have completed all four parts of the educational series for women, by women, to help them make informed financial choices, especially during critical decision-making stages in their lives.

Pamela Chisholm and Joan Mikkelsen hosted these free events, and we would like to thank the women (more than ninety) who attended one or more of the sessions. Feedback was very positive, and we consider the event a huge success.

Income Tax Tips

- In the event you missed something to your advantage, you can file a request for an adjustment (Form T1-adj).
- Report all capital losses even if you do not have any capital gains this year because capital losses can be carried back three years (Form T1A) or can be used toward future capital gains.

- Medical expenses can be claimed for any 12-month period ended in 2009 (and not claimed in 2008). Claim premiums paid to private health service plans (including NS Seniors Pharmacare and travel insurance), and travel costs if you have to travel in excess of 40 kilometers to obtain medical treatment not available locally (plus accommodations if distance exceeds 80 kilometers).
- Remember that up to 50% of your employer pension can be split with your spouse (at any age) even if your spouse is working. It may be to your advantage to transfer at least \$2,000—which will trigger the \$2,000 Federal Pension Tax Credit (plus the provincial amount). You must be 65 years old to split a Registered Retirement Income Fund (RRIF) or a Life Income Fund (LIF), and it is necessary to apply and meet eligible criteria to split your Canada Pension Plan (CPP).

- Home renovations in 2009 may qualify for a Home Renovation Tax Credit. For more information call 1-800-622-6232, or check out www.nrcan.gc.ca or www.cra-arc.gc.ca/gncy/bdgt/2009.
- Charitable donations can be carried forward for up to five years. Your Federal tax credit is 15% of the first \$200. of donations, and 29% of the balance.

Questions I'm asked about long-term care

Q. How do I apply for help?

A. Call Continuing Care if you or a family member is in need of long-term care. A care coordinator will be assigned to assess your care needs—there is also a home care program available. For more information call 1-800-225-7225, or go to www.gov.ns.ca/health/ccs

Q. What is the cost of facility long-term care?

A. Residents of long-term care homes that participate in the Nova Scotia Single Entry Access system are responsible for accommodation charges and their personal expenses. Since January 2005, the NS government pays for the health-care costs. The current nursing home daily accommodation charge is \$94.75—which can add up to \$34,583.75 for a year (365 X \$94.75). This daily charge is reviewed annually, and may be adjusted (it was \$75.50 in November 2006).

Q. What if I/we can't afford the daily accommodation charge?

A. A reduction in the daily charge can be applied for by undergoing an income-based financial assessment. The Notice of Assessment provided by Revenue Canada showing net income (line 236 minus line 435—taxes payable) is used in the calculation. The financial assessment looks only at income—**assets are not taken into consideration.**

A person is not expected to use more than 85% of his/her net income to cover accommodation charges. A single person will be able to retain the greater of 15% of his or her net income or \$2,760 for personal expenses.

It becomes a little more complicated when there is a spouse or dependent child remaining in the community. The financial assessment is based on combined net incomes for the applicant and spouse. The spouse remaining in the community will be able to retain the greater of 50% of the net combined income or \$16,974, and he/she will retain control of assets.

Note:

- ◆ Keep in mind that withdrawals from RRSP/RRIF are included in income, while the balance of a RRSP/RRIF account is considered an asset.
- ◆ The applicant and spouse are expected to apply for other government benefits such as the Disability Tax Credit (DTC), and the Guaranteed Income Supplement (GIS)—approval criteria will be based on individual incomes rather than combined household income because they will be living apart—“involuntarily separated”.

Q. Is there insurance I can purchase that can help with long-term care costs?

A. Yes, there is insurance available. Please contact me (Joan) for further information.



For more information on these or other topics, visit my website at www.checkwithjoan.com