



# Clipboard

Joan Marie Mikkelsen, EPC, CFP  
Financial and Insurance Services

[www.checkwithjoan.com](http://www.checkwithjoan.com)

Quaker Landing, 150 - 33 Ochterloney St., Dartmouth, N.S., B2Y 4P5

Bus: (902) 468-0602 Fax: (902) 468-0603 Toll-free: 1-877-439-8396 E-mail: [info@joanmikkelsen.com](mailto:info@joanmikkelsen.com)

April 2008

## Were you aware that ...

... if you are 65 years of age or older and not receiving the pension tax credit (of up to \$2,000) due to lack of employer pension or RRIF income, there is another way to qualify? Certain investment interest income products qualify for the pension tax credit – a good tax saving strategy. Call me for the details.

... the annual RESP contribution limit has been removed, and the lifetime limit has been increased from \$42,000 to \$50,000? Also, the maximum annual basis Canada Education Savings Grant (CESG) has been increased from \$400 to \$500, and from \$800 to \$1,000 if there are unused CESG rights.

... an easy way to stop junk mail is to tape a "No Junk Mail Sign" on your mailbox? Canada Post uses red dots to flag households that have said no to junk mail.

[www.reddotcampaign.ca](http://www.reddotcampaign.ca) provides a form letter that can be signed and forwarded to Canada Post, or for more information call Canada Post at 1-866-607-6301.

... this newsletter is available via e-mail and/or on my web site? If you would like to discontinue the paper edition, please call me or send an e-mail, and I'll remove your name from the paper mailing list. Thank you for your interest in, and feed back to, my newsletter.



## Get a jump-start on reducing 2008 income tax

Do you scramble the end of February every year to come up with the money to make an RRSP contribution? Well, now is a good time to make next year's contribution by using your 2007 income tax refund. Another way is to set up regular periodic contributions to your RRSP (can be for as little as \$25 and can be set up to coincide with your pay day). You are taking advantage of the Dollar Cost Averaging (average of numerous purchase prices rather than one price), and your retirement funds will have more time to grow.



# Will the government take my house and savings if I have to go to a nursing home?

The above is a question that I am often asked, and what follows is my answer – as published in the February 2008 issue of *Seniors' Advocate*.

The Nova Scotia Department of Health made significant changes to its long term care program effective January 1, 2005. The Department of Health now pays for health care costs in licensed or approved nursing homes, while residents pay for personal expenses and accommodation costs. The maximum daily accommodation rate effective November 1, 2007 is \$79.00 (\$28,835 per year).

Persons able to pay the accommodation rate are not required to undergo a financial assessment – they simply pay the standard rate. Persons who are unable to pay the standard accommodation rate can have their accommodation rate reduced by undergoing **an income-based financial assessment**. Assets are no longer taken into consideration when determining financial assistance for cost of care.

When applying for a rate reduction, the person retains the greater of 15% of net income or \$2,652 per year (\$221.00 per month) for personal expenses, while the balance of income goes towards the cost of care.

If there is a spouse, income from both will be combined and then divided in half. If the spouse remaining home is left with less than \$15,992 per year, his or her income will be topped up by transferring a portion of the income from the spouse who is entering the nursing home.

A point to remember – withdrawals from RRSPs/RRIFs are considered income.

Will the government take my house and savings if I have to go to a nursing home? The answer is no. However, depending on the household income, there could be financial strain on the household budget.

Were you aware that you can purchase Long Term Care insurance? Benefits from this insurance can assist in the cost of long-term care, either at home or in a facility. Coverage can ease financial strain on the household budget, and enable you to cover the cost of private services. It can give you choices. Long Term Care Insurance is one of the products available through my office.



In spring, a friend is the first daffodil opening to greet the sunshine.

– Author unknown