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Are you aware...

... that borrowing via credit cards and overdraft are two of the most expensive means of borrowing? Using a Personal Line of Credit is a more economical way of borrowing—and you have the flexibility.

... that some credit card companies offer a reduced interest rate for a nominal annual fee? This fee can quickly be recouped if you are carrying an outstanding balance.

... that making photocopies of a medical claim form with the basic information (name, address, plan number) to use for future submissions will save you time?

...that you can save time by having utilities, church offerings, insurance, investment deposit, and other payments debited directly from your chequing account? Then you don't have to worry about due dates!



Unclaimed balances

As of December 31, 2010, the Bank of Canada held approximately 1.3 million unclaimed balances worth about \$433 million. Unclaimed balances are Canadian dollar accounts and negotiable instruments (bank drafts, certified cheques, Guaranteed Investment Certificates (GICs), money orders, and travelers cheques) that have been inactive for ten years and the financial institution has not been able to contact the owner.

After ten years, these balances are transferred to the Bank of Canada who acts as custodian on behalf of the owner. Unclaimed balances greater than \$1,000 are held by the financial institution and Bank of Canada for a combined total of 100 years from last transaction date, and balances less than \$1,000 are held for a combined total of forty years.

For more information call 1-888-891-6398, or go to the Bank of Canada Internet site at http://ucbswww.bank-banque-canada.ca/scripts/search_english.cfm

Changes to Canada Pension Plan

Some recent changes to the Canada Pension Plan that may apply to you include the following:

1. Larger percentage increase in pensions taken after age 65
 2. Larger percentage decrease in pensions taken prior to age 65
 3. Elimination of work cessation test for reduced CPP benefits at age 60
 4. Reinstatement of CPP contributions on January 1, 2012 if you are receiving CPP, working, and under age 65
 5. Application required for Post-Retirement Benefits (PRB) in the year following contributions
1. **Larger percentage increase in pensions taken after age 65:** Recipients who delay receiving their CPP until after age 65 received an increased pension of .5% per month for every month after age 65 (up to age 70.) The monthly increase rate will be increased to .7% and will be phased in from 2011 to 2013 (.57%, .64%, and .7%.) Future CPP benefits taken at age 70 could be 8.4% a year higher.
 2. **Larger percentage decrease in pensions taken prior to age 65:** Reduced CPP benefits are currently available after age 60 provided work cessation requirements are satisfied. Benefits are currently reduced by .5% for every month prior to age 65. Over the period 2012 to 2016, the reduction will increase to .6% per month (.52%, .54%, .56%, .58%, .6%.)
 3. **Elimination of work cessation test for reduced CPP benefits at age 60:** Effective January 1, 2012 it will no longer be necessary to stop work or reduce income to qualify for reduced CPP benefits at age 60. However, you and your employer will be required to continue making CPP contributions. These contributions will go towards the new Post-Retirement Benefit (PRB), which will increase your current CPP benefits. PRB benefits will be available January 1st of the year following PRB contributions.
 4. **Reinstatement of CPP contributions on January 1, 2012 if you are receiving CPP benefits, working, and under age 65:** You and your employer are currently not required to make CPP contributions after you begin receiving CPP benefits. This will change on January 1, 2012. You and your employer will then be required to make mandatory CPP contributions until age 65 (voluntary contributions from age 65 to 70) while working. If you are self-employed, you are required to pay both the employee and employer's contribution. Self-employed CPP recipients may want to discuss with their lawyer and accountant the pros and cons of incorporating their business.
 5. **Application required for Post-Retirement Benefits (PRB) in the year following contributions:** Benefits under the new Post-Retirement Benefit (PRB) are not automatically added to your CPP in the year following contributions, so be sure to apply.



Disclaimer: This article is for general information only and is not intended to provide specific personalized advice including, without limitation, investment, financial, legal, accounting, or tax advice. Please consult an appropriate professional regarding your particular circumstances.