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Starting a new year

We are almost through the first month of 2007, and annual account statements are starting to arrive in the mail. Instead of leaving them unopened or just filing them away, it may be a good idea to check your financial position now relative to a year ago. It is also a good time to sit down with your financial advisor to review your accounts and to see if you are on track to achieving your financial goals.

Whether you use a book or a computer program, you can list your accounts in one column, and the balances in another column. At a glance you will be able to compare one year to another and see your progress.

This is a good time to review your short, medium and long-term goals. What do you want to achieve? Where do you want to be? Are you on the right track? If not, what changes will you need to make in order to achieve your goals?

Soon, income tax receipts will be arriving for your 2006 income tax return. Here is an opportunity to see if your income

is being taxed efficiently. Check the following:

1. Are you taking advantage of eligible tax credits: age; caregiver; charitable donations; disability; education; employment; GST; interest on student loans; medical expenses; pension income; public transit passes – after June 30, 2006; spousal/partner and wholly dependant person; transfer credits to spouse; and tuition fees?
2. Are you taking advantage of eligible deductions: RRSP contributions made up to March 1, 2007; child care expenses; moving expenses; carrying charges such as interest, safety deposit box rental, and accounting fees?
3. Is there an opportunity to split your any of your income, such as CPP, with a spouse?
4. Are you taking more than needed or required from a RRIF?

Working with a tax professional and financial advisor can help to ensure tax efficiency.



Life's Little Instructions

I received these "instructions for 2005" in a 2004 Christmas letter, but I think they can apply to any year. Wouldn't the world be a better place if we practiced even half of the following?

- Sing in the shower.
- Treat everyone you meet like you want to be treated.
- Watch a sunrise at least once a year.
- Never refuse homemade brownies.
- Strive for excellence not perfection.
- Compliment three people everyday.
- Leave everything a little better than you found it.
- Keep it simple.
- Become the most positive and enthusiastic person you know.
- Never waste an opportunity to tell someone you love them.
- Learn three clean jokes.
- Plant a tree on your birthday.
- Think big thoughts but relish small pleasures.
- Be forgiving of yourself and others.
- Buy whatever kids are selling on card tables in their front yards.
- Plant flowers every spring.
- Make new friends, but cherish the old ones.
- Sing in a choir.
- Keep secrets.
- Always accept an outstretched hand.
- Remember other peoples' birthdays.
- Commit yourself to constant improvement.
- Wave at kids on school buses.
- Feed a stranger's parking meter.
- Don't expect life to be fair.
- Be there when people need you.
- Stop blaming others.
- Take responsibility for every area of your life.
- Don't be afraid to say, "I made a mistake."
- Don't be afraid to say, "I don't know."
- Talk to God as a friend. Remember, He's on your side. He has great plans for you.
- Compliment small improvements.
- Look people in the eye.
- Rekindle old friendships.
- Celebrate for no reason at all.
- Live your life as an exclamation not, an explanation.
- Keep your promises no matter what.
- Count your blessings.
- Call your family.

At a glance

- OAS clawback zone starts at \$62,144.
- Age credit clawback zone starts at \$30,271.
- Dividend "gross-up" increased to 45%.
- 2006 RRSP contribution limit is \$18,000 or 18% of previous year's "earned income."
- 2006 mileage rate is \$0.50/km on first 5,000 km and \$0.44 on the remainder. If you need to travel more than 40 km for medical treatment not available in your area, you can claim mileage (plus meals and accommodations if travel is at least 80 km).
- Children's fitness tax credit starts in 2007.