



# RICE SOLUTIONS

Long Term Care—Have You Planned For It? • Flexibility Fit For You  
RRSP Loans and You: Catch Up While You Can  
Borrow to Build Leveraged Investing—Another Way to Grow Your Savings  
'Tis the Season for Planning and Preparation

## Long Term Care—Have You Planned For It?

**H**aving been a smart and disciplined investor over the years, you've planned ahead so you can enjoy your ideal retirement. But, have you prepared for the possible reality of a retirement that's less than ideal?

Although it's sometimes hard to admit, as we age we require more care and assistance to help us through our daily lives. Whether it's a hand getting meals together, taking a bath, or getting dressed, the cost of such assistance can take a toll on your savings. But, by investing in long term care insurance you can protect your finances—and ensure your health isn't compromised.

Long term care policies are recommended for individuals aged 50 to 65. Offering coverage for a range of medical services provided by health care professionals such as nurses and medical service aids, long term care provides you with a daily benefit if you lose the ability to care for yourself. Think of it as financial

protection for both you and your loved ones. If the need for long term care arises and you don't have insurance, it may be your children who are left footing the bill or taking time away from work to help care for you. In essence, long term care is protection for both generations.

With a number of plans and product features to choose from, your Rice Financial advisor can help you create an effective strategy for incorporating long term care into your financial strategy. Although health care plans offered by the provinces do provide thorough coverage, it may not be enough to pay for the costs of home or private facility care. Investing in long term care eliminates this risk.

In addition to providing you with financial security and peace of mind, long term care coverage keeps you in control. By selecting from a number of available options, you can build a plan that suits your wishes. •

### Flexibility Fit For You

At Rice Financial, our focus is on you. Making your experience as comfortable as possible tops our priority list. Since getting together during "regular office hours" may not always be the most conducive or convenient option, meetings off-site or after hours to discuss your portfolio may be available depending on your advisor's schedule.

## Borrow to Build—Leveraged Investing Another Way to Grow Your Savings

**A**s you've seen, an RRSP loan can provide the means to up your retirement savings. What's more is this strategy, known as leveraged investing, can be used in a number of other ways to effectively build wealth.

Leveraged investing simply means borrowing money to invest. The main benefit here comes from having a larger sum of money working for you, as growth earned on the underlying investment is yours after tax. In fact, an

RRSP loan is a type of leveraged investing, as investors borrow money to contribute to their RRSPs.

However, additional opportunities exist for you to borrow and build your savings outside your RRSPs that also have distinct tax advantages. In cases such as this, interest payments on the loans are tax deductible—making it an attractive method for increasing capital.

It is important to remember that a loan is a loan and must be repaid. Although

leveraged investing is a great portfolio boosting tool for some, this strategy isn't for everyone. If you are considering investing in an alternative savings vehicle, now is the time to talk to your financial advisor about leveraged investing. Doing so will ensure you make solid and profitable financial decisions specific to your needs while understanding the risks associated with this strategy. •

## RRSP Loans and You: Catch Up While You Can

**A**s you draw nearer to your last day in the working world, it's time to start thinking about how you'll spend your free time—and most importantly if you've put enough away to finance it. Retirement should be about relaxing and enjoying all the things you never had time for. If you've missed out on maximizing your yearly RRSP contributions in the past, it's not too late to catch up. With an RRSP loan, an enjoyable, financially sound retirement can still be yours.

Investing in an RRSP loan is a great way to boost your savings and max out your yearly RRSP contributions. Working on the same principle as a mortgage or car loan, RRSP loans provide you with the means to catch up on years past and ensure your nest egg reaches its full potential. Whether you've missed making your max contribution for some time, or are simply a few thousand dollars shy this year, an RRSP loan is an effective way to get back on track.

Two general categories of RRSP loans exist: top-up and catch-up. Top-up loans are designed for investors who require a smaller loan to fill their contribution room, while catch-up loans are designed for those who have been behind on their contributions for some

time. With values anywhere up to \$50,000, catch-up loans are paid over a longer term.

By working with your financial advisor, you can determine how much room you have to fill, and what kind of payments you can afford to make to ensure the loan you choose is the best fit for you. In most cases, it's a good idea to choose a loan that you are able to pay back while still making regular contributions to your RRSP—this way you won't fall behind again.

Accessing an RRSP loan also provides some tax advantages that allow you to pay it back quickly and easily. By contributing more to your RRSP with the funds from your loan, you will generally enjoy a higher tax refund. As a result, the money you save can be used to pay down the loan. Some institutions allow you to defer your first payment for a few months after the RRSP loan is taken out to allow for this immediate payback (interest still applies).

With your retirement years close on the horizon, it's important you have as much money as you can in tax-sheltered savings. It's never too late to save, and with top up or catch up RRSP loans you can make your money work harder, faster. •

## 'Tis the Season for Planning and Preparation

**A**s the clocks chimed in 2007, the advent of the New Year wasn't the only thing worth celebrating.

Turning over the calendar also brought you one year closer to enjoying the retirement of your dreams. However, what's important is that you're financially prepared for this milestone when it comes. Your transition from the working world is fast approaching, so now is a great time to speak to your financial advisor about productive ways of converting your savings into income. By working together to create an effective retirement plan, you can ensure your finances are ready when you're ready for retirement.

Over the past 12 months you've worked hard and followed a dedicated saving strategy with your retirement goals in mind. Now is the time to look ahead and ensure you're heading down the right path to achieve them. Contact your Rice Financial advisor to find out how to best plan during your retirement countdown. •