

Since its inception, the goal of Zlotnik, Lamb & Company has been to build strong, lasting relationships with its clients. Our associates and staff have developed a reputation for quality, integrity, and professionalism. Call us today and find out how we can be valuable members of your planning team.

Zlotnik, Lamb & Company

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“Financial advice is only as good as the person you ask.”



■ Using an insurance audit to clarify your financial needs

For one reason or another, many Canadians avoid the topic of life insurance. And that's a shame because it can be a very useful financial planning tool. Numerous life changes such as buying a new home, having children, saving for retirement and planning for your estate may prompt you to take a closer look at its benefits. So whether you already own a policy or are thinking about purchasing one, an insurance audit is an excellent way to clarify your concerns. Here are a few questions to consider.

Do you have a need?

When it comes to life insurance, the first question to ask yourself is, do you really need it? The answer depends on your financial and lifestyle objectives. Perhaps you'd like to protect your family from the financial risk of premature death. Or maybe estate taxes and fees are a concern. Life insurance can satisfy these needs and more. So talk to your advisor to clarify your needs and goals.

What is the right amount?

After you've discovered a need for life insurance, you must then ask yourself, what is the right amount? Again, this answer depends on your individual needs and objectives. For example, if you're looking at insurance primarily as a way of protecting your family, the general rule is to multiply your annual income by ten to calculate an approximate figure. This way if one spouse's income is gone, insurance proceeds can be invested to replace the income lost.




What about costs?

Generally, insurance costs depend on your age, smoking status, coverage amount and health status. A significant improvement in any of these areas can provide a better rate. Even if your goals have stayed the same, you may want to review the costs of comparable plans.

What kind of policy is best for you?

There are two main types of life insurance – term and permanent. Term insurance is an inexpensive way to insure a temporary need like your mortgage. Permanent insurance, on the other hand, is best suited for longer-term needs such as estate planning. So evaluate your time horizon, consider your financial needs and work with your advisor to choose a plan that's right for you.

Life insurance can be an essential part of your financial plan so don't overlook its benefits. If you have questions about your insurance coverage, give your ZLC representative a call today for review. 


Segregated fund profile

Elliott & Page Monthly High Income Fund

The Elliott & Page Monthly High Income Fund is an excellent conservative investment offering stability, diversification, growth, tax-efficiency and high yields. Allow us to clarify how the fund accomplishes these objectives:

- Stability is offered by investing in both federal and provincial bonds.
- Thanks to the fund's strategic asset allocation plan, investors can be assured that the fund is diversified to minimize risk and maximize gains, as outlined in the objectives of the fund.
- Growth is offered by investing in well-established, blue chip Canadian and international equities. Many of these stocks pay attractive dividends.
- The fund offers tax-efficient income by investing in real estate investment trusts (REITs) and royalty trusts.

Perhaps most importantly, the fund comes with an investment guarantee: a minimum of 75% of the initial investment is guaranteed on a ten year maturity date. In the case of a premature death of the annuitant, 100% of the initial investment (reduced for withdrawals) is guaranteed.

Solid yields and high tax-efficiency make the Elliott & Page Monthly High Income Fund an excellent choice for income-oriented investors. The fund is also an attractive option for conservative investors because of its combination of income and equity investments. And the investment guarantee is nice, no matter what kind of investor you are. If you would like to find out if this investment suits your portfolio, please give your ZLC representative a call for more details. 

■ Year end tax planning

Now is the time to act!

2002 is quickly coming to a close so what better way to end the year than with a little financial housekeeping? Now is your last chance to implement some of the tax planning ideas you intended to use during the year but haven't. So with this idea in mind, here are a few year-end tax tips to help you get the most from your next return.

Capital gains and losses

Reviewing your non-registered investments can provide some future tax saving opportunities, especially in a down year like the one we've experienced. Start by taking a look at all of your investments. If you expect to come out ahead this year, you'll have to pay taxes on those gains – unless you can offset them in some way. Here's where capital losses can be beneficial. Remember, capital losses don't have to be used in the year they were incurred. They can be carried back three years (that means if you have any gains from 1999, this is your last year to offset them!) and forward indefinitely.

Wind up your RRSP

If you're celebrating your 69th birthday this year, you'll have to wind up your RRSP by year-end. At this point, you have three options: withdraw funds in one lump sum; buy an annuity; or roll your RRSP assets into a registered retirement income fund (RRIF). For most retirees, the third option is the best.

Like an RRSP, an RRIF allows you to invest in a variety of investments and shelter this growth from taxes at the same time. You cannot, however, contribute to your RRIF. In addition, minimum withdrawal levels must be met annually so talk to your ZLC advisor for assistance.

Charitable donations

Another way to reduce your tax bill is to make use of charitable donations. All registered charities, from amateur athletic teams to the provincial government, can




issue a tax receipt in return for a contribution (often, receipts will only be made for donations over a small minimum). As long as these donations are made by year-end, they can then be used as a tax credit for 2002. If you decide that you don't need the credit for your current taxation year, make sure to save the receipt. Charitable donations can be carried forward for up to five years.

Education credits

If you have a child who is attending post-secondary school and is not yet earning an income, don't let these education and tuition credits go to waste. As a parent, you are eligible to claim up to \$800 in federal tax credits for each child. A Form T2202, processed by your child's school, will be issued as your tax receipt.

Deductible fees

There are a number of tax deductible financial fees. For example, interest incurred to earn investment income is deductible. Fees for renting a safety deposit box, safe custody and related accounting costs are tax deductible as well. Fees for investment counsel also fall into this category.

As you can see, there are several ways to save. If you would like to learn how these tax tips can work for you, please call your ZLC representative today for details. 

■ Elder Planning

Service and advice you can trust

Over the years, the demand for financial planning strategies for seniors has escalated. Why? There are three simple explanations. First, our population is aging. Statistics show that in 1998, 12.3% of the Canadian population, or 3.7 million Canadians, was 65 or older. In 2016, researchers estimate that this number will grow to 6 million or 16% of the population. In 2020, there may be as many seniors as there are children.

Second, the National Advisory Council on Aging discovered that few seniors' financial needs were adequately served. Seniors reported that regular "cookie cutter" approaches to planning simply did not work for them.

And third, seniors are likely targets for elder abuse. In fact, a recent BC study found that 8% of seniors had been financially abused, each losing an average of \$20,000.

As you can see, seniors need assistance to help them protect their assets and manage their unique financial needs. We believe that Elder Planning is the answer.

What is Elder Planning?

Elder Planning is financial and estate planning targeted to pre-retirees and retirees. Elder Planning is not the same as eldercare, as used in the medical community. While eldercare focuses on providing medical assistance and



caregiving for seniors, Elder Planning covers a different range of responsibilities.

Objectives of Elder Planning

If you are a pre-retiree or retiree, you'll find that Elder Planning can assist you in a number of ways. In particular, Elder Planning can protect you from:

- Losing your investments
- Assuming too much financial risk
- Investing in products you don't understand
- Worrying about future healthcare costs
- Financial abuse

Elder Planning accomplishes these objectives by addressing all aspects of your financial

plan, including income maximization, tax reduction, asset protection, pension selection, RRSP conversion options, health care financing and estate planning and distribution.

How an Elder Planner can help

An Elder Planner is a financial planner who specializes in helping seniors manage their needs and goals. In particular, the Elder Planner offers valuable insights and resources. They are familiar with all areas related to seniors' financial plans, including legal, medical, governmental, and caregiving concerns. The planner is also connected to a wide network of specialists such as accountants and lawyers, as well as individuals involved in the medical community, local government, caregivers' associations and community agencies.

Not only does an Elder Planner have the knowledge and the network to help you customize an individual plan, Elder Planners also have the right tools to accomplish these goals. Most importantly, the Elder Planner acts in your best interests, not your heirs'.

At Zlotnik, Lamb & Company, we specialize in formulating effective solutions to the challenges of Elder Planning. Our team can help develop an effective plan to ensure your golden years are truly golden. We invite you to give us a call today to find out how we can help. 📞

Last call for RESP contributions

If you would like to take advantage of "free" money, don't wait any longer to contribute to your children's registered education savings plan (RESP). As you probably already know, an RESP can be an excellent

way for you (or other members of your family) to build a substantial education fund for your kids. By investing up to \$4,000 each year in an RESP, you can save for your children's education in a tax-efficient way. And thanks to the Canadian Education Savings Grant (CESG), the government contributes 20% every year on the first \$2,000 invested into a child's plan.

Another advantage of this plan is that if you haven't taken full advantage of it in past years

(up to 1998), you can do so later. The CESG's carry forward allows you to claim RESP grants of up to \$400 per child, with a cap of \$800 per year for missed grants. There aren't many opportunities to receive funding from the government so don't let missed grants pass you by.

If you would like to make a lump sum contribution or set up a pre-authorized contribution, we would be happy to help. Call our office to set up an appointment today. 📞

Zlotnik, Lamb & Company

At your service

At Zlotnik, Lamb & Company, we strive to provide the best independent advice, products and services to our clients. We're confident our advisors have the knowledge and experience you require to make us an integral component of your professional financial team.

Allow us to introduce you to our team of financial professionals. Whether it's detailed financial planning or just a second opinion you're looking for, you can be sure of our help.



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