



*Brought to you by Mario Rodriguez*

KNIGHTS OF COLUMBUS

# Financial Beacon

Winter 2010

A safe option for your  
RRSP & TFSA FUNDS

Building a financial  
**FOUNDATION**

**Letter from  
your agent**

The Knights  
of Columbus'  
devotion to charity





## A MESSAGE from your agent

### Dear Brother Knight:

Your membership in the Knights of Columbus is more than a matter of personal faith, and your participation in our fraternal insurance benefits is more than a matter of financial security. A look at our Order's 2008 charitable donations shows why.

We all know how difficult the economy has been in recent years. This means more people need help. It also means that many businesses and individuals who customarily donate time and money have to cut back. Not the Knights of Columbus.

Through our members' devotion and the prudent management of our assets, in 2008 we were able to increase charitable donations by \$5.1 million to more than \$150 million (U.S.D.), and increase our volunteer service to 68,783,653 hours—a new record.

Almost \$45 million of our charitable donations last year went to Church activities, and over \$10 million went to community, educational, or cultural grants.

I'm proud to be part of a strong, growing and giving Order, and proud to serve as an agent for the outstanding fraternal insurance benefits that you deserve.

Fraternally yours,

**Mario Rodriguez**

## Building a financial FOUNDATION

When do you inspect your home's foundation for cracks?

- A. Twice each year—in the early spring and late fall—as foundation experts suggest.
- B. The first day you step into an inch or two of water on your basement floor after a heavy rain storm.

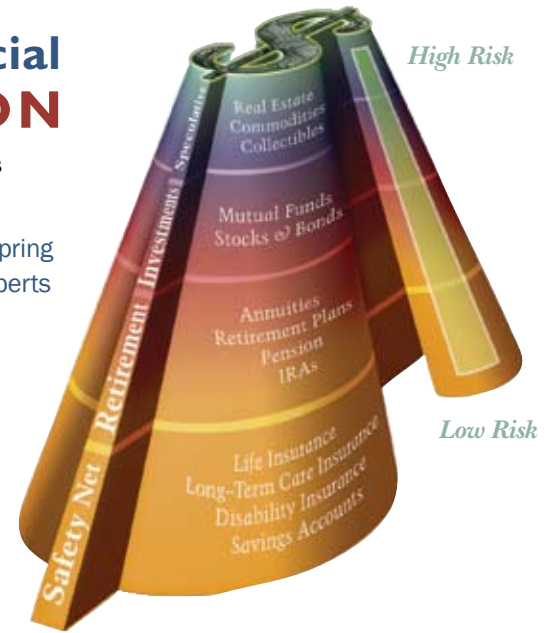
Now, a more important question: When do you inspect your *financial* foundation? Economic storms have exposed cracks in the financial foundations for far too many of us in recent years. Before the thunderclouds gather again, take a good look at what a solid financial foundation is made of:

### Short-term spending habits built on long-term goals

Have you ever written down long-term goals for you and your family? It's easy to tell yourself you'll put five percent of every paycheck into savings. But if you don't attach that money to a long-term goal you can see clearly—a retirement home on the lake, say, or your child holding a college diploma—it's too easy to divert those savings toward a new plasma-screen TV.

### Guaranteed income protection

If your family relies on your income, your foundation requires life insurance, period. (See the "pyramid of wealth" above.) At least a portion of it should be permanent (or "whole") life insurance, which guarantees a death benefit and builds cash value for as long as you live, without increasing in price. This protects your family during your working years. For your retirement, at least a portion of your income should come from a savings plan that is guaranteed to preserve your contributions. A Knights of Columbus retirement savings plan or a Tax Free Savings Account, for example, has guaranteed safety of the principal you



### THE PYRAMID OF WEALTH

How do you prioritize the dollars you commit to your financial future? Build from the foundation up. Establish the safety net that will preserve your income in the event of a breadwinner's death or disability. This protects your family in the short run, and the wealth you accumulate over the long run.

.....  
contribute and a guaranteed minimum rate of return. You can also choose an option that pays you a set monthly amount for life.

With good spending habits and guaranteed income protection in place, you're protected from the uncertainty of investment funds and Old Age Security programs. Certainly, you should take advantage of opportunities to grow your money through your tax-advantaged RRSP. Just make sure that you build your own sound foundation beneath benefits provided by an employer or the government.

### The good news about foundation repairs

Unlike home foundation inspections, financial foundation inspections are free. And paying for repairs simply means paying your future self, your family, and heirs. If you'd like help clarifying your goals and mapping out a path to reach them safely, please give me a call for a free financial review. ♦

# A safe option for RRSP & TFSA funds

The date of March 1, 2010, will surely cause pangs of regret for Canadians who let this deadline pass without contributing as much as they can to an RRSP. After that date, your contributions will count toward the tax year of 2010 rather than 2009. It may not seem like a huge difference. But contributing that money now will do two very important things:

- Reduce your 2009 taxable income (as long as you haven't already exceeded the annual maximum contribution), putting more money in your pocket right away.
- Start growing interest, tax-deferred, sooner. Tax-deferred growth is the real wealth-building magic of RRSPs. Every additional month of this growth can make a major difference down the line.

Of course, your RRSP's growth depends on the underlying investment. Especially in a volatile economy, it makes sense to have a balanced retirement plan that includes some guaranteed returns. One option within an RRSP is an annuity savings plan that has a guaranteed minimum rate of return.

An annuity is as secure as the company that issues it, so choose a provider with a track record of top ratings for financial security from rating services such as A.M. Best and Standard and Poor's.

The word "annuity" refers to the ability to "annuitize" the payouts from the fund when you reach retirement age, which means: Rather than taking a lump-sum payout, you can choose to accept a specific monthly payment for as long as you live. Other options include monthly payments for a specific period, such as 20 years, and payments that continue for a surviving spouse.

Rather than annuitize the fund, you may choose to withdraw some or all of the money in your annuity whenever you need it, and pay any income tax due at that time.

## Annuities in a Tax Free Savings Account

As of January 1, 2009, adults are eligible to contribute \$5,000 each year to a Tax Free Savings Account (TFSA). As with an RRSP, an annuity from a reputable insurer offers a safe haven for your TFSA. Keep in mind that if you didn't contribute the maximum of \$5,000 to a TFSA in 2009, you can contribute up to \$10,000 in 2010 and still maintain the account's tax-free status

Annuities come in a great many varieties. Not all of them have guaranteed minimum returns. If you have any questions about these products, and any retirement or financial security issues, please contact me. ♦



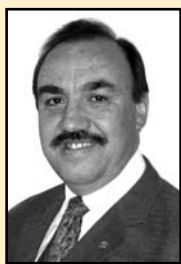
**RRSP deadline for 2009 tax year:  
March 1, 2010**

### Maximum tax-free contribution is the lower of the following:


- 18% of your earned income from 2009
- \$21,000
- The remaining limit after any company-sponsored pension plan contributions


You may contribute more if you have unused contribution room from previous years, as shown on your Notice of Assessment or Notice of Reassessment for the previous tax year. Or, get that information from the automated Tax Information Phone Service (T.I.P.S.) at 800-267-6999, or the individual income tax enquiries line at 800-959-8281.


## YOUR AGENT



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*Contact me today for information on long-term care insurance*

### Family benefits & services

Knights of Columbus insurance consistently ranks at the top of the industry in financial stability and ethics. Please call to discuss these services:

- Financial needs analysis
- Life insurance
- Tax-free savings accounts
- Long-term care insurance
- Retirement planning
- Estate preservation
- Scholarships
- Family fraternal benefits



# Know your fraternal benefits

In addition to the accidental death benefit coverage Knights and their spouses are

eligible for just by being a member, you should know about the special insurance benefits available to members, such as:

## Family Fraternal Benefits Program:

If you participate in a qualified life insurance plan with K of C, you are eligible for some unique programs that exist exclusively for K of C families faced with needs that often fall outside traditional insurance plans. These include:

- ✓ Guaranteed life insurance benefits for uninsurable children
- ✓ Death benefits for stillborn/miscarried children
- ✓ Orphan benefits

Some of these benefits are free, depending on your age and length of service.

## Youth life insurance that guarantees insurability as an adult:

You can purchase permanent (“whole”) life insurance for your children, with a Guaranteed Purchase Option (GPO). The GPO allows them to purchase an additional death benefit coverage, and add more

cash value to the policy, up to seven times—regardless of their health—before they reach age 40. The GPO amount can equal the face amount of the plan (up to a maximum of a \$100,000) of additional coverage at each option date.

Consider my services, as a professional Knights of Columbus insurance agent, as another fraternal benefit available to you. Please get in touch with me if you have questions about these benefits, or anything regarding your family’s financial security. ♦