

# RAWLING REPORT

WINTER 2006 • BROUGHT TO YOU



BY RAWLING FINANCIAL INC.

HELPING CLIENTS MAKE WISE DECISIONS REGARDING THEIR WEALTH

Have a great 2006...



## Kelly Logan joins the Rawling Financial Team



Kelly Logan has joined Rawling Financial as our new Customer Care Assistant. A graduate of the University of Ottawa, Kelly achieved her combined B.Soc.Sc. in Criminology and Psychology. Joining us from retail management, Kelly brings to Rawling Financial a wide range of experience and skill sets.

Kelly has always kept herself busy with a variety of Volunteer experiences. Some of the organizations pleased to have her were: Jamaica Self Help; Correctional Service Canada; the Rotary Club of New Glasgow, Nova Scotia; and presently the LHSC University Hospital.

New to London, Kelly spends much of her free time exploring the city. Her favourite spot thus far is the Covent Market, conveniently located close to work!

## Focus on Single Purpose Trail – *RRSP Contribution Limits*

Here are some useful facts regarding your RRSPs for the 2005 tax year...

- the contribution deadline is on March 1, 2006.
- the contribution limit is \$16,500.

For future years, the 2005 federal Budget increased limits for RRSPs to the following:

Year	RRSP Limit
2006 .....	\$18,000
2007 .....	\$19,000
2008 .....	\$20,000
2009 .....	\$21,000
2010 .....	\$22,000

In addition to the maximum contribution limit, RRSP contributions are constrained by two other factors:

- a) They are limited by 18% of previous year's "earned income."
- b) They are reduced by the "Pension Adjustment."

A taxpayer's Pension Adjustment (PA) reflects the amount of benefits accruing to a taxpayer under employer-sponsored RPPs and DPSPs of which the taxpayer is a member. The PA for defined benefit RPPs is equal to nine times the benefit entitlement minus \$600 so that a 2% of earnings per year benefit plan will use up most of the taxpayer's RRSP deduction limit. In this way, deductible contributions to RRSPs are directly limited by benefits accruing to the taxpayer under employer-sponsored retirement saving vehicles.

Therefore, the taxpayer's RRSP deduction limit is based on his or her earnings and PA from the previous year, which was reported on the taxpayer's T4.

You can find your RRSP deduction limit for 2005 on your Notice of Assessment for the 2004 tax year. You should have received this six to eight weeks after the CRA obtained your income tax return.

Don't forget that taxpayers making contributions to their RRSPs in excess of their RRSP deduction limits are subject to a penalty tax. Imposed is a 1% monthly tax on the amount of such excess while it remains in the plan. However, the tax is not imposed on the first \$2000 of the excess amount.

# Dear Diary: Our 7th Vegas Golf Trip



## Sunday, October 23

We started our trip early with 9:30 a.m. flights with our favourite good value airline – Spirit – out of Detroit. When we got to Vegas, Mark Clement and Doug Maus were waiting for us with the vans, having arrived on earlier flights. (I should arrange that every year!) At eleven o'clock, we were on the hour-long drive to Mesquite, Nevada. This has become our must visit area each year.

We made such good time that we were able to do something we've never done on previous first days... play 18 holes of golf before the sun set. It was at twilight rate on a course we had never played before and everyone loved it. We headed out on "the Palmer" (designed by Arnold) at the Oasis Golf Club. Well worth playing.

## Monday, October 24

Today, for the third time, we played Golf Digest's #2 ranked course in Nevada – Wolf Creek Golf Club. Just look up this link ([www.golfwolfcreek.com](http://www.golfwolfcreek.com)) to see some views of this superb course

Mesquite is great golf and is more casual than Vegas. The restaurants and casinos don't compete with the Vegas strip, but we found an excellent restaurant – "Gregory's" in the casino of the Eureka Hotel.

## Tuesday, October 25

It was a one hour drive into St. George, Utah to play a Johnny Miller designed gem – Entrada at Snow Canyon ([www.golfentrada.com](http://www.golfentrada.com)). This was also a #2 ranked course in Utah by Golf Digest. Yes, there are more than two courses in Utah. Entrada is a great course for the money. The last few holes are played across ancient lava fields. After our game, we headed south-west across Nevada to the border of California to stay at Primm Valley Resort.

## Wednesday, October 26

It was off to play one of our past trip's favourite golf courses. Tom Fazio's Lakes Course ([www.primmvalleyresorts.com/pages/pvg\\_home.asp](http://www.primmvalleyresorts.com/pages/pvg_home.asp))

Well worth playing and you can get a great deal if you stay at their hotel. They also have a second 18-hole course called "Desert Course." Later, we drove into Vegas to stay at one of my favourite hotels; the "Golden Nugget" ([www.goldennugget.com/home](http://www.goldennugget.com/home)).

In my opinion the Fremont Street/downtown area is better than the Strip. It has hotels and casinos that are in easy walking distance. The whole street is closed to traffic. You can walk around, listen to live music and watch a \$70 million TV screen above your head. The giant is two blocks long and lights up the street with images and music every hour on the hour at night. Try finding room to walk on a sidewalk on the Strip... they don't want you outside! We had the best meal of our trip at "Lilly Langstry's" in our hotel – awesome Cantonese food in an elegant setting.

## Thursday, October 27

Our flight left at noon – great timing. We were tired of too much golf, too little sleep and too many bright lights. Maybe in another year, we could recover enough energy to face a challenge like this again!



"Hugh, Dave Postowoj and Craig Henderson take time to smile on the "Entrada at Snow Canyon" course. Mountains, waterfalls, green grass and lava fields."



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