Even physicians need check-ups.
Doctors’ gross and net incomes have never been so adversely affected as in the past year.

It’s easy to quantify the negative pressures on doctors’ take-home income caused by less revenue and higher taxes.

Far more difficult is quantifying the positive impact of a financial advisor, wealth manager, investment advisor, or money manager.

IP Strategies offers a 4-point financial check-up to determine how these services – when integrated within an overall plan – can lead to greater wealth preservation and accumulation.

“We are asking doctors to take a modest decrease in the compensation they receive.”

Dr. Eric Hoskins
Ontario Minister of Health

“We are also asking Canadians who have the most to contribute a little bit more.”

The Honourable Bill Morneau
Minister of Finance, Canada

Drug contraindications lead to poorer health. Financial contraindications lead to lower wealth.

Pharmaceutical contraindications are known to adversely affect health. Similarly, financial decisions made in isolation from one another can negatively impact wealth.

In the fiscal world, these contraindications can range from uncoordinated financial advice to unintegrated tax strategies to haphazard insurance purchases.

The result can be slower-than-necessary wealth accumulation, needlessly higher taxation, and financial goals not being realized.

Individual investment vehicles and decisions must be coordinated by a financial quarterback working closely with a team of specialists. One-by-one analysis of financial recommendations should only take in the context of an overall financial management plan.

More cuts are likely to provincial payments for physician services. Increases to federal income tax rates and changes to physician corporation small business eligibility are on the horizon. Now more than ever, doctors need a financial management and taxation check-up.
Doctor, heal thy financial self.

With physicians working on average more than 50 hours per week ¹, how much time do they have to manage their financial affairs?

Are they like the half ² (49%) of all Canadians who have don’t have a financial advisor?

Or like the more than two thirds ³ (69%) who don’t have a written financial plan?

2015 brought provincial cuts and caps to physician payments. 2016 will bring federal increases to the tax bracket of most doctors.

Without a financial roadmap, doctors may not know the impact these externalities have on their assets. MDs can respond with a financial check-up leading to a plan that is implemented and monitored on an ongoing basis.

In addition, the possible or likely prohibition of income splitting to family members. Further, the possible or likely elimination of physician’s small business tax eligibility. Continued negative stock market volatility, already down 20% in the past year.

Ask yourself, “How am I feeling financially?”

How do I know when I’m working because “I want to” versus “I have to”?

What is my required rate of return on my investments?

Am I on track to retire with the lifestyle I want?

Do I have a team of professionals (i.e.: accountant, lawyer, financial advisor) that work in sync to meet my life goals?

How can I plan for my retirement?

How much do I need to save?

How can I plan for my children’s future?

6.9%

Cuts in funding for physician services since February 2015.

4.45%

Clawback on fee-for-service billings.

4%

Increase in personal income tax for top marginal bracket.

Importance of a Financial ‘Check-up’

1. Investment Check-up for Fixed Income and Equity Markets
2. Check-up for Retirement Planning
3. Risk Management and Insurance
4. Estate Planning
Ask yourself.

Investment Check-up for Fixed Income and Equity Markets

1

- Given market conditions, how do I protect my assets from the current volatility?

- How do I invest in strategies not correlated to the ‘stock market’ and provide absolute 6 – 8% positive returns (e.g. Ottawa mortgages)?

- What is the impact of rising interest rates and the associated decline in bond values, so I don’t lose money through fixed income?

- Am I using a proven investment strategy for equities?

- Do I completely understand what I pay in investment management fees and how my advisor is compensated?
Check-up for Retirement Planning

Ask yourself.

Does my advisor review my financial plan and “roadmap” yearly to ensure we’re still on track?

Do I know exactly how much capital I need to be able to retire and maintain my lifestyle?

Are my financial advisor, accountant and lawyer in constant communication to take advantage of all tax efficiencies available to me and my family?

Have I discussed the benefits of prescribed rate loans and family trusts for investment and tax purposes with my advisor?

Am I aware of the advantages of an Individual Pension Plan (IPP)?

Should I invest in my Professional Corporation, RRSP, TFSA or IPP?
Ask yourself.

Check-up for Risk Management and Insurance

✓ Are my health care expenses, outside of my group health plan, eligible for tax deductibility?

✓ Do I need to assess insured versus self-insured plans?

✓ Do I need to have a tax discussion with an advisor about Health Care Spending Accounts?

✓ Is my life insurance coordinated with my estate plan?

✓ Is OMA insurance or personal coverage right for me?

✓ Can I optimize my before-tax costs?
Ask yourself.

Check-up For Estate Planning

- What is the impact of the new Testamentary Trust rules to estate planning?
- What are the roles of trusts in estate planning (control, family law, etc.)?
- If I were to pass away tomorrow, am I confident my spouse/beneficiaries would be comfortable working with our current advisor?
- What are the tax implications to my Professional Corporation when I stop practicing? Or upon my death?
- Should I have a discussion of ‘Dual Wills’ to save on probate costs?
- Am I facing any US tax issues?
Whatever your indications, we prescribe integrated financial planning.

Reach us at 613.274.2662 or info@ipstrategies.ca for a ‘no obligation’ discovery meeting.