

## Fall 2019

In this edition...

- Things to do before 2019 ends
- Practice protection: 7 commonly asked questions
- Interview with a young entrepreneurial dentist... and more!

THE



# TOP THINGS TO GET DONE

Before the End of the Year

Everyone wants to start the new year off right. To be fully prepared for a great year ahead, it's important to first close this one on strong footing—and part of that is getting your financial life organized before the end of December. **Here are some tips:**

## ○ Manage the needs of your practice

If you're a practice owner, you have a few more tasks to think about before closing the book on the current year.

**Get your finances in order** – Pay off any outstanding bills and check to see what money is owing to you. Reconciling what's left to come in and what's still to come out will help you get organized for the year ahead.

**Run your final payroll** – Be sure to remind your employees to submit any final expenses they may have incurred well before year-end.

**Pay out year-end bonuses** and commissions if your practice takes part in this style of compensation.

**Back up your data** – While this is something you should be doing with some regularity, it's a great habit to do a year-end back up of your financial and patient records.

## ○ Get a financial check up

It's a great time to check-in with your Investment Planning Advisor at CDSPI\*. A re-cap of the year and look at your financial position can help you gain clarity on where you stand, and determine what adjustments, if any, are needed to make the most of your investments. If you don't have an advisor, call us for a complimentary review.

## ○ Make your TFSA contribution

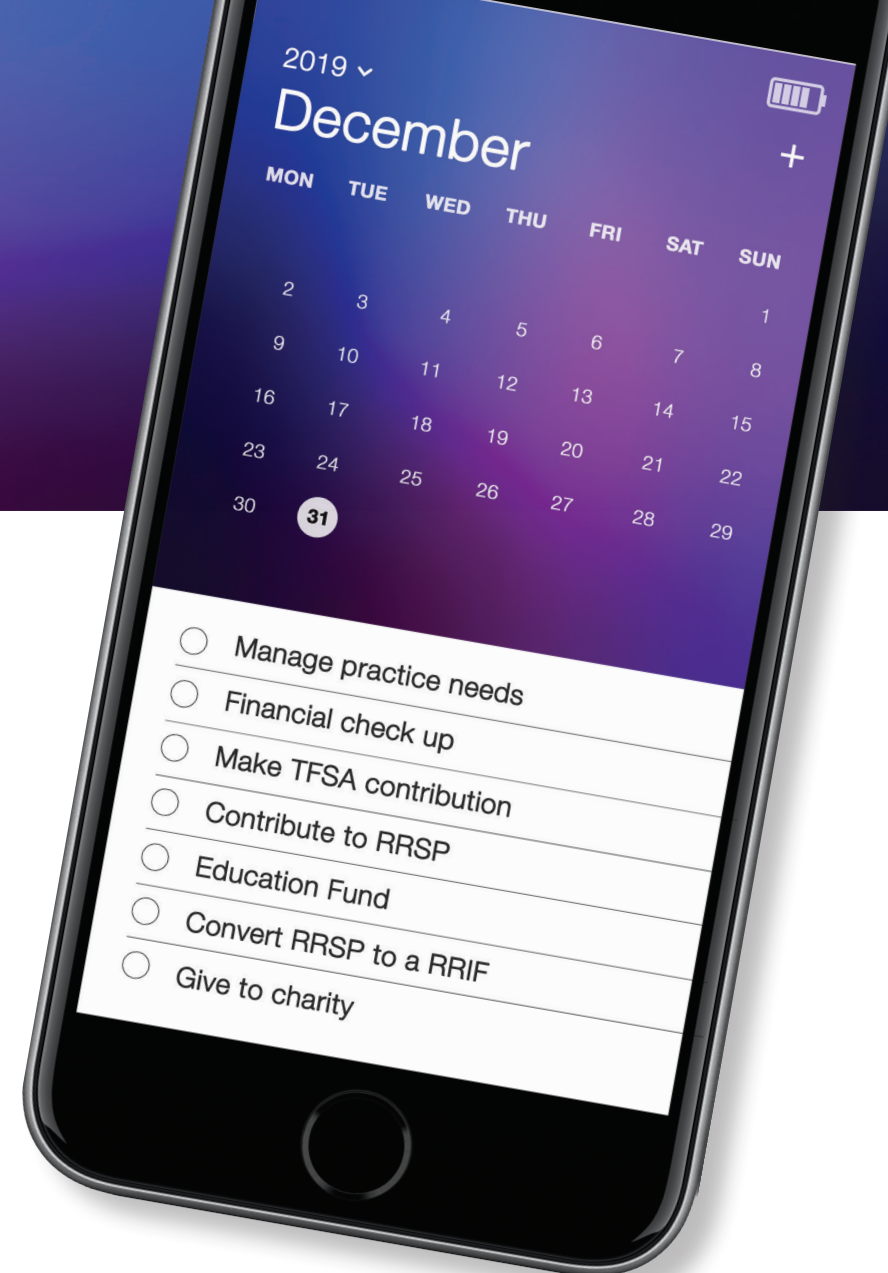
For 2019, the contribution deadline is December 31<sup>st</sup> and the contribution limit is \$6,000. If you don't contribute, your eligible amount is added to your contribution room and can be carried forward indefinitely. The total contribution room for someone who has never contributed since the introduction of the TFSA in 2009, is \$63,500.

## ○ Contribute to your RRSP

While the contribution deadline is February 29, 2020, it's always a good idea to plan ahead. After all, other financial obligations will crop up in the new year, especially as holiday bills start to roll in. For 2019, your contribution will be limited to 18% of your 2018 earned income, to a maximum of \$26,500. Your contribution room is tracked by the CRA, so check your Notice of Assessment for your personal contribution limit.

## ○ Contribute to a child's education

If you're saving for a child or grandchild's post-secondary education, you have until December 31<sup>st</sup> to contribute to their RESP for the current year. Not only is it a tax-deferred investment account, but the government will pay you the Canada Education Savings Grant (CESG), which is 20% on the first \$2,500 you contribute annually, to a maximum of \$500 per beneficiary per year. You can receive up to \$7,200 in CESG per beneficiary up to age 18. There is a lifetime contribution maximum of **\$50,000** per child.



## ○ If you're turning 71, convert your RRSP to a RRIF

You have until December 31<sup>st</sup> of the year you turn 71 to close out your RRSP. Call your advisor to help you transition your plan to a Registered Retirement Income Fund (RRIF).

## ○ Give to your favourite charity

Do you have a cause or charity that's close to your heart? Make your charitable contribution by December 31<sup>st</sup> to claim it as a deduction on this year's tax return.

**Being organized and aware when it comes to your end-of-year finances can help you start the new year off in great financial shape. Contact your Investment Planning Advisor at CDSPI to help you take care of any – or all – of these year-end to-do's.**

\* Advisory services are provided by licensed advisors at CDSPI Advisory Services Inc. Restrictions may apply to advisory services in certain jurisdictions.

Governed by dental associations. Driven by your interests.

The Board of Directors actively helps set the course. CDSPI understands the needs of the dental community because we seek out and integrate the insights of our Advisory Panel.

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# ARE YOU KEEPING YOUR PRACTICE SAFE?

7  
Commonly  
Asked  
Questions

Buying or building a dental practice is a major decision for many dentists. Once your decision is made, the next important step is how to protect it.

That's why CDSPI offers TripleGuard™ Insurance<sup>1</sup>, a comprehensive plan designed to keep your practice safe. Here are some frequently asked questions we get from our dentists.

1.

## Why do I need it?

It not only protects your most important asset, but banks and landlords require proof of fire and liability insurance before your purchase is finalized. Dentists sometimes overlook this and call in a panic days before a deal is about to close, which is why you should apply for this coverage in advance.

2.

## How much coverage do I need?

It depends on your circumstances. If you're buying a practice, you can use the purchase valuation to determine the value of your tangible assets. You'll want to cover the entire cost of your equipment, supplies, fixtures and all leasehold improvements in a worst-case scenario. Make sure you have coverage for the replacement cost of your equipment rather than its depreciated value.

3.

## What if I'm starting my practice as a new build?

Lenders and landlords need proof of insurance before you can start to build. Builder's Risk Insurance covers your premises and liability during the renovation phase. When you are ready to open your practice, you will need TripleGuard™ to cover the full value of your new practice.

4.

## Will my premiums go up if I make a claim?

No, your premiums won't increase; however, if there are three paid claims in a three-year period, your deductible will increase from \$1,000 to \$2,500. The good news is that if no further claims are made for three years, your deductible goes back down to \$1,000.

5.

## How are practice interruption payments calculated if my office has to close temporarily?

A claims adjuster will first determine your practice's average daily billings and use this rate to calculate the payment during the practice closure period. There is no waiting period, and you can make a claim for income reimbursement as soon as your practice is shut down. TripleGuard™ does not cover income stemming from an injury or illness—DisabilityGuard™ disability insurance covers you for this.

6.

## What if my equipment breaks down?

The TripleGuard™ Equipment Breakdown Option is a feature that covers repairs and replacement costs for electrical and/or mechanical equipment such as patient chairs, X-ray equipment, copiers and more. Even if your warranty covers damaged equipment, repairs may take several days to complete. If repairs keep you from practising, your income loss may be reimbursed after the first eight hours of work interruption.

7.

## What if I upgrade my premises or equipment?

Don't make the mistake of thinking your plan will cover any eventuality. If you upgrade or expand your premises, or replace equipment, you'll need to reassess to keep your coverage level current. A formal appraisal is the best way to determine how much insurance coverage you need.

## DO YOU HAVE QUESTIONS?

You can rely on the expertise of our insurance advisors<sup>2</sup> to tell you everything you need to know about TripleGuard™ and keeping your practice safe.

The information provided in this article is intended for general guidance.

Complete terms, conditions, exclusions, restrictions and limitations governing the coverages are found in the insurance contract.

1. CDSPI TripleGuard™ Insurance is underwritten by Aviva Insurance Company of Canada.

2. Advisory services are provided by licensed advisors at CDSPI Advisory Services Inc. Restrictions may apply to advisory services in certain jurisdictions.





# Restore balance to your portfolio

Have you ever spent the weekend indulging in your favourite comfort foods – juicy steak, aged cheese, salty potato chips and maybe some wine – only to crave a piece of fruit or some green leafy vegetables after a few days?

It's your body's way of telling you that you need to restore some equilibrium to your diet. The reason is simple: we all need some balance in our lives and this basic principle is key when it comes to your investment portfolio.

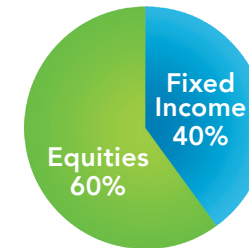
Every savvy investor should have a target asset allocation of stocks, bonds and cash in their portfolio that matches up with their risk tolerance and investment goals. When a portfolio is initially set up, balance is achieved. But because asset classes perform differently over time, a portfolio's asset allocation can get out of balance as stocks and bonds perform well or poorly. Rebalancing brings a portfolio's original asset allocation back to where it was when you first set it up.



## HOW REBALANCING WORKS

Say your portfolio is made up of 60% stocks and 40% bonds. If stock prices rise, your allocation to stocks might increase to 70%, and bonds drop to 30%.

TARGET ALLOCATION AT THE **START** OF THE YEAR



ALLOCATION AT THE **END** OF THE YEAR



To get back to your target mix, you will need to sell 10% of the value of your stocks and increase the value of your bond holdings by 10% in order to achieve balance.

## THE BENEFITS OF REBALANCING

Rebalancing allows you to:

### Limit your exposure to risk.

By rebalancing, you can maintain a level of risk that's suitable for you, your timeline and your goals.

### Sell high and buy low.

Rebalancing allows you to take profits from investments that have done well and redirect them to a class that might be undervalued.

**Stay disciplined.** It can be tempting to hang on to a stock that's doing well. Regularly rebalancing keeps you focused on your financial plan.

## WHEN TO REBALANCE

You can rebalance your portfolio based on time or a threshold.

Rebalancing based on time prompts you to rebalance your portfolio regularly—typically every year—regardless of how much or how little your asset allocation has changed. You may want to rebalance more often if you are concerned about risk.

It's also smart to set a minimum threshold such as 5% or 10% — when your portfolio drifts past this threshold, it's time to rebalance.

That said, the parameters around frequency and threshold are ultimately based on a discussion between you and your financial advisor.


## CDSPI CAN HELP!

An Investment Planning Advisor can help you determine the right target asset allocation based on your life circumstances, timeline and tolerance for risk. Your advisor will review your portfolio regularly with you to maintain balance that's in line with your financial goals.

CDSPI offers solutions that automatically keep you in balance. We determine your risk level—from conservative to aggressive—and the portfolio managers keep it on target.

Keeping your investments in balance is critical to financial success. We invite you to contact us for a complimentary review to help you achieve balance.





# Year 2

## A TIME OF DECISION FOR MANY YOUNG DENTISTS

Two years ago we interviewed recent graduate, Dr. Khash Gharavi, who was working at three practices and pondering what the future might hold for him. Like many young dentists, he was keeping himself open to many opportunities. He's still open to options, but he's starting to narrow his focus.

### Dentistry provides a world of possibilities.

When I was president of the Federation of Canadian Dentistry Student Associations (FCDSA), I got exposed to a world of possibilities and learned from incredible leaders across the country. In a sense, organized dentistry inspired me and made me realize that I'm the captain of my own ship. I graduated from dental school with that exact mindset.

### When you start to practise, your hunger for exploration only increases.

You can work as much or as little as you want, and where you want, discover the procedures you enjoy and are good at, consider a residency, look at practice ownership, perhaps move to a smaller community, or explore other options entirely.

### Your second year is when the picture becomes clearer.

Dentists find where their niche is, where they want to be in five years and how they can contribute to the community. A lot of my friends are starting to look at longer-term goals and do the planning they need to achieve them.

### It's also a time to re-find your balance.

Dental school is not the healthiest time of your life, physically or mentally. After that whirlwind, and my first year working at three practices, I've been able to take more control of my time. It's been great to reclaim some balance in my life, which is very important to me.

### Being open to possibilities has led to something unexpected—and exciting!

I've been working at a practice where the principal dentist is great about showing me how the business is managed. We started looking at ways to improve our patients' experience and access to care, which led to a business partnership where we've developed a new online platform called Brilliant.dental.

### We're improving access to care while increasing efficiency for dental offices.

Brilliant.dental is a cloud-based platform that empowers dentists to create and manage their own membership plan and offer affordable dental coverage directly to their patients. In addition, patients can go online anytime to see available slots and book their appointments. It's great! Patients can also use it to pay electronically, and for dentists, managing a recurring subscription revenue has never been this easy. The beta phase with about fifty practices is nearly complete, so we'll be introducing it to the wider market in the fall.

### There are three things that are important to me in evaluating a future path.

1. Will it be meaningful and enjoyable?
2. Will I have an impact beyond my own satisfaction?
3. Will it be scalable? Short-term projects may be interesting, but not ultimately rewarding.

With Brilliant.dental, I'm meeting all those yardsticks... and more.

### A lot of young dentists think a financial plan is just for retirement.

Being open to opportunities means you've got to have your financial ducks in order. I worked with an advisor from CDSPI to create a financial plan. I told her my goals and how I felt about risk. She put together a plan that gives me the flexibility to pay off my student loan while investing. I definitely recommend a financial plan for younger dentists—it's a lot easier to look ahead when you're standing on solid ground.

### I continue to value my relationship with CDSPI.

CDSPI is always taking the pulse of the dental community. Currently, I continue to contribute as a member of their national Advisory Panel. When I was president of the FCDSA, I valued CDSPI's continuing sponsorship. Now that my career is progressing, I rely on them for investment advice and insurance. It's a trusted relationship that I expect to continue for a long time.



## THE MEMBERS' ASSISTANCE PROGRAM:

# More Than A Crisis Hotline



Dr. Kyla Romard of Truro, Nova Scotia, recently published an article in *Nova Scotia Dentist* about the importance of CDSPI's Members' Assistance Program. She shares her thoughts in *The Edge*.

Mental health challenges and illnesses are prevalent in today's society. In fact, in any given year **one in five Canadians will face a mental health or addiction problem**. As dental professionals, we know that running a dental practice and providing health care can often be stressful, overwhelming and isolating. While we can never totally eliminate stress from our lives and our practices, without appropriate coping mechanisms, chronic stress can have a major impact on dentists' physical and mental wellbeing.

In an effort to help dental professionals deal with a range of mental, emotional and physical wellness challenges, CDSPI provides the Members' Assistance Program (MAP). It is operated by Shepell, the largest Canadian-based Employee and Family Assistance provider in Canada. MAP provides confidential, no-cost support and advice for dentists, dental staff and their immediate family members.

**I've long been an advocate for the promotion and awareness of MAP.** It's an essential member benefit of all dental associations. Though I considered myself at least somewhat knowledgeable about MAP, I recently had the pleasure of participating in a webinar and I was surprised at the multitude of services offered by the program.

It is much more robust than I ever imagined. MAP services are designed to help members with any concerns they have regarding their well-being, including:

- Stress, depression, anxiety
- Nutritional questions
- Naturopathic consultations
- Addiction concerns
- Workplace challenges
- Relationships
- Family and/or parenting matters
- Crisis management

Upon initial contact, there is an immediate assessment of the member's needs, which may vary from an urgent crisis situation, to non-urgent counselling requests, to requests for a work or life solution. In an urgent situation, MAP provides immediate access to an experienced and highly trained counsellor for expert consultation and onsite trauma support.

For non-urgent requests, short-term solution counselling sessions are offered based on member preference, including face-to-face, telephone, e-counselling, video counselling, self-directed online, or online group counselling services.

We are talking about the importance of mental health and wellness more than ever, but the biggest barrier to seeking mental health treatment is still the fear of services not being confidential. **MAP takes great care in maintaining member privacy.** Should face-to-face counselling be requested, they can offer convenient counselling locations, and they ensure that in-office appointments are not back-to-back with other members. Online services

are discreet, with non-identifying messages, and programs with firewall and password protection. No one will know you have used MAP unless you decide to discuss your experience.

As with some physical illnesses, knowledge, awareness and early recognition may help ease potential mental health problems before they become more serious, so I encourage you to use these services if you feel the need.

To sum up, MAP offers a variety of tools and resources, with services tailored to your needs 24 hours a day, 7 days a week, 365 days a year. Help is only a call or click away!

### How to contact MAP

Phone: **1.844.578.4040**

Online: **workhealthlife.com**

Mobile app: **My EAP** (iTunes and Android)

References:  
Canadian Community Health Survey: Mental Health 2012  
Members' Assistance Program Member Orientation,  
Presentation to NSDA

# Get Fast Tracked with a Clean Bill of Health

**NEW!**

If you are in excellent health, based on your application, CDSPI Life Insurance approval can take as little as two weeks. This is a valuable feature if you are in a hurry and need life insurance to help secure a mortgage, practice loan or other large credit application.

**You may be eligible for up to \$1 million in coverage<sup>1</sup> without medical tests with fast-track approval if:**

- You are 50 or under;
- You are applying for Basic Life, Family Life or Term 100 Insurance;
- Your application meets all medical criteria;
- Your application form is completed in full.

You are also eligible to save on premiums with the *AdvantEdge* reduction for good health. These savings will continue for the length of your policy.

If you already have a CDSPI Basic Life Insurance plan, you can increase your coverage by up to \$1 million. The total amount of Basic Life Insurance you can hold with CDSPI is \$4 million.

Speak to a CDSPI Insurance Advisor<sup>2</sup> to discuss if you are eligible for fast-track approval.

1. Complete terms, conditions, exclusions, restrictions and limitations governing the coverages are found in the certificate booklet.

2. Advisory services are provided by licensed advisors at CDSPI Advisory Services Inc. Restrictions may apply to advisory services in certain jurisdictions.

Basic Life, Family Life and Term 100 Insurance are underwritten by **The Manufacturers Life Insurance Company (Manulife)**, P.O. Box 670, Stn. Waterloo, Waterloo ON N2J 4B8.



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