

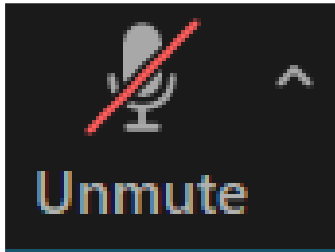


ADAPTING TO STARTING PRACTICE

With MD Management and MNP

WEBINAR HOUSEKEEPING...

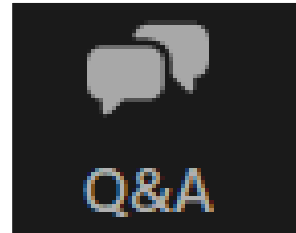
Audio



By Default, you are muted upon entry.

Please raise your hand during the Q&A period if you need to ask a live question.

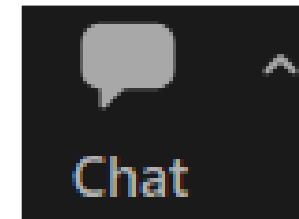
Q & A



Click on the Q&A box or raise hand for any question you have.

Questions will be answered at the end of the presentation

Chat Box



Use the chat box for any comments.

Importance of building wealth in the context of adapting to starting practice



MD

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Your professional team

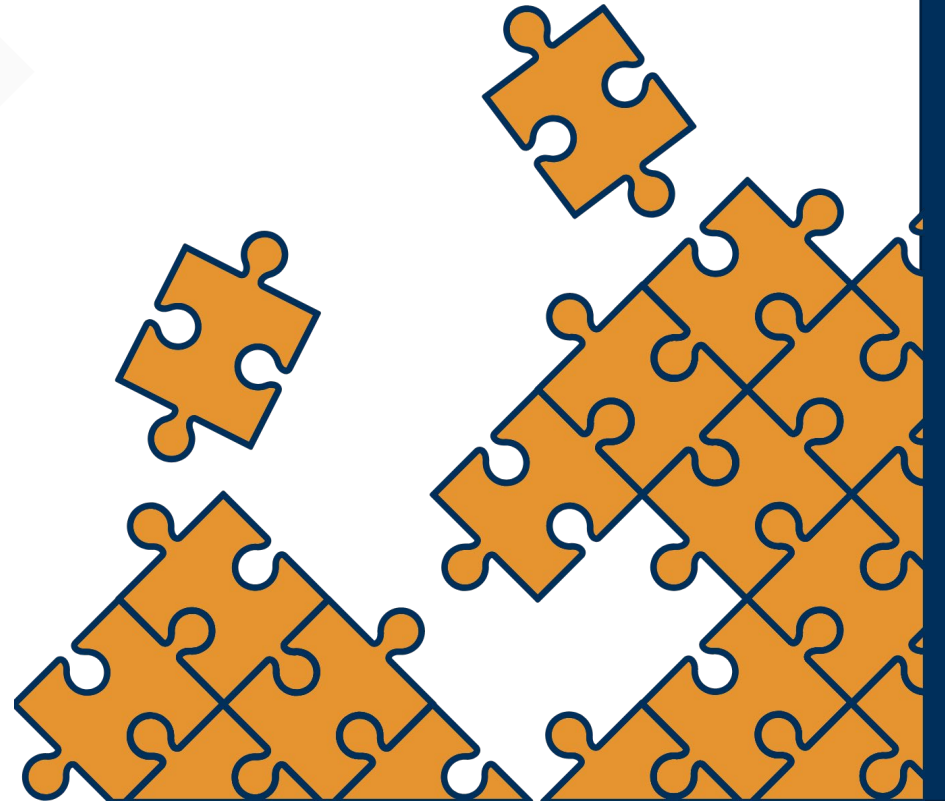
Financial Advisor

Accountant

Insurance Specialist

Lawyer

Banking Specialist





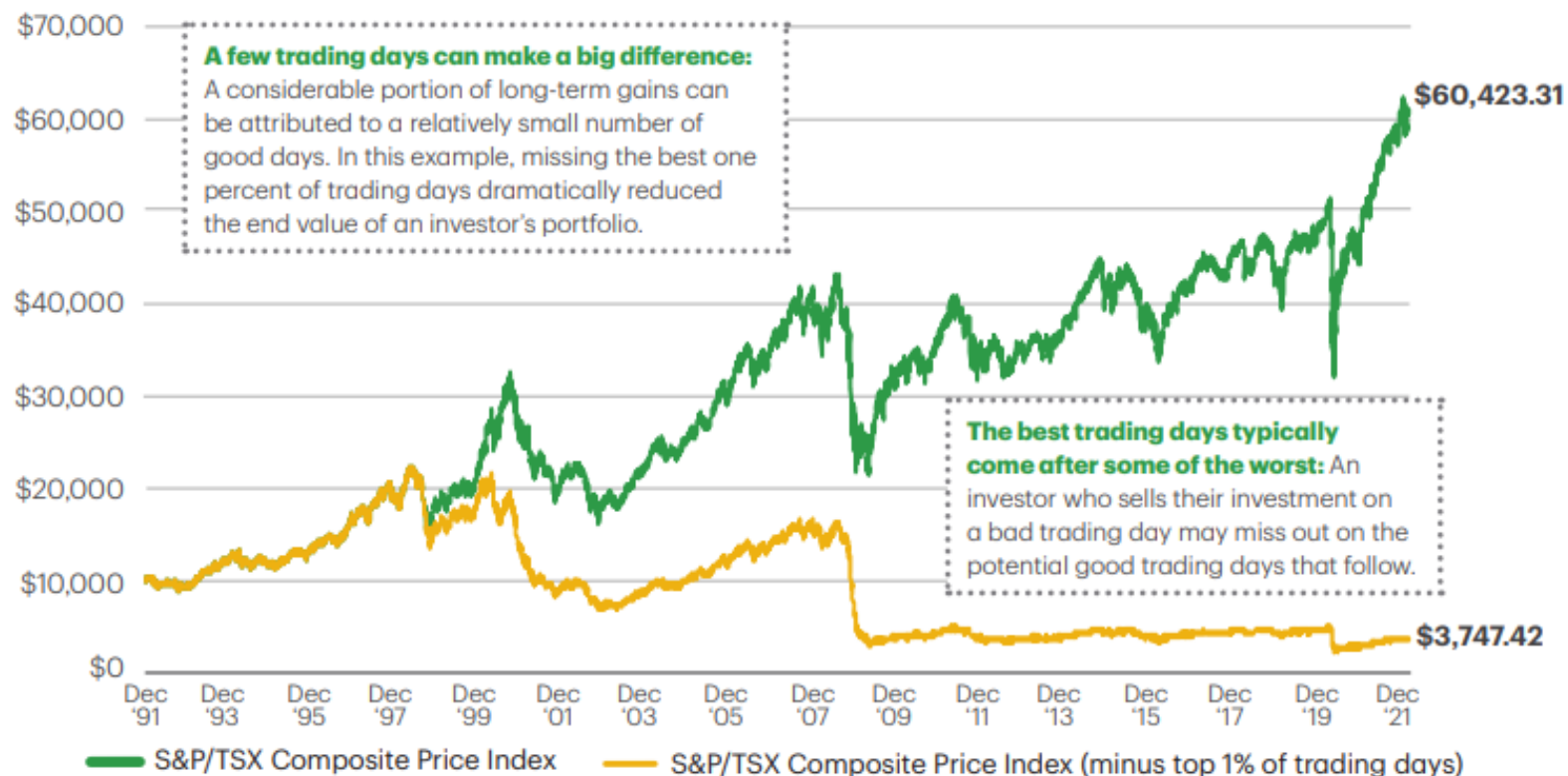
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Early Investing Strategies

Power of Investing- Long Term Growth

Growth of \$10,000 – December 31, 1991 to December 31, 2021



Coping with the Economy: Inflation and High Interest Rates

- Debt management and mortgage rates (if applicable)
- Savings vs Investing

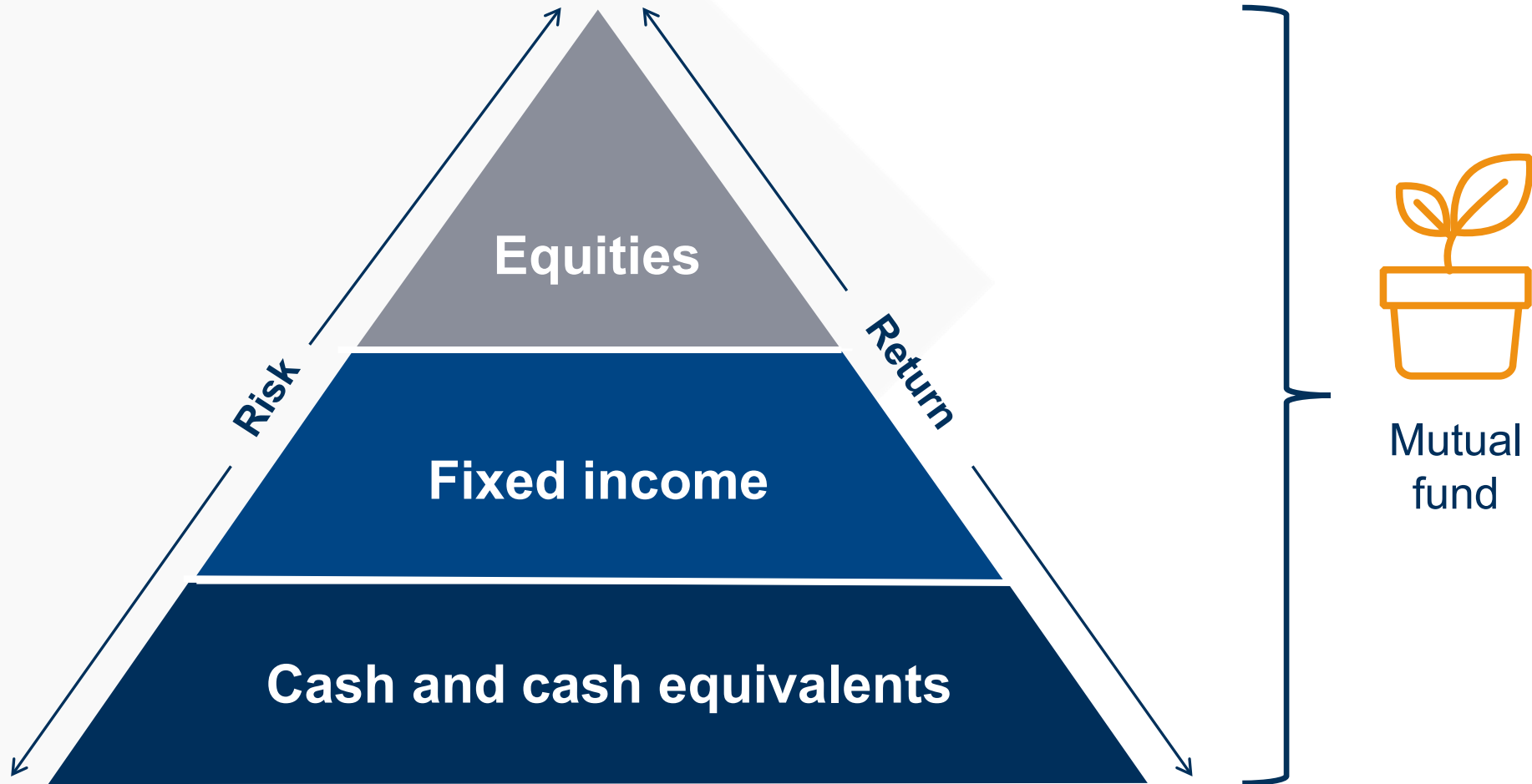
Building your ideal investment portfolio

What makes a good investment portfolio?
One that's invested according to these
three aspects for each goal.

Where they intersect is where your
best investment will be.



Asset allocation strategy



Returns from investment funds*

Capital gains



Increases in the value of fund units over time represent capital gains.

- Example: Bought fund units for \$30 and now trading for \$45
- Capital gain of \$15/unit

Dividends



Dividends received from underlying securities owned by the fund can be passed to unitholders.

Interest



Interest received from underlying securities owned by the fund can be passed to unitholders.

In non-registered accounts, capital gains, interest and dividends are all taxable, but at different tax rates.

*example applies only to returns from owning funds and not individual stocks.



Tax-efficient accounts:
Available tools on the market

RRSP, TFSA and TFHSA

- RRSPs – unused contribution into practice
- TFSA: if tool was not used in residency look at options to max out as you transition
- TFHSA: what, how and why

First Home Savings Account

- **Conditions:** A first-time home buyer. An individual is considered to be a first-time home buyer if at any time in the part of the calendar year before the account is opened or at any time in the preceding four years they did not live in a qualifying home.
- **Contributions and Deductions**
8,000\$ / year , capped at 40,000\$
- **FHSA and HBP(RRSP)**

TOP 3 QUESTIONS YOU NEED THE ANSWER FOR



Question 1: Why is a Financial advisor relevant?

- Comprehensive Financial Advisor
- Risk Analysis
- Personalized Micro and Macro analysis of finance
- Advice for your investments during high inflation and volatile markets

Question 2: Where do I save? What are the common investments accounts available to me?

- Non-registered personal account
- Professional corporate investment account
- RRSP
- TFSA
- TFHSA (in effect June 2023)
- IPP (When incorporated)

Question 3: Should I invest in a TFSA or TFHSA?

- Depending on objectives
- Pros and Cons of TFHSA

5 common mistakes residents make

1. Not having a plan for student loans.
2. Failing to insure against catastrophe
3. Racking up high-interest credit card debt
4. Not using registered accounts to build wealth.
5. Buying hot investments as per Media recommendation – goal-based investing should be prioritized





Unsure of what comes next?

WE'RE HERE TO HELP.

At MD Financial Management, we help physicians and their families navigate their financial, personal and career goals.

We know your needs change from day to day. Paying bills, managing debt, preparing for residency and saving for the future — we understand the many challenges you face throughout your medical career.

Together with Scotiabank, we're here to support you every step of the way.

Let's chat
ecs@md.ca



Scotiabank.
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Starting your Practice & Other Considerations for Tax

Presented By:

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May 30, 2023



Wherever business takes you

[MNP.ca](https://mnp.ca)



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Agenda

- Practice structures
 - Locum
 - Group Practices
 - Lease vs. Buy
 - Cost share
 - Partnership
 - Other
 - BC LFP & Tax
 - Other planning points
 - Q&A

1. Locum / GP Model

Locum / GP Model

- Fixed overhead – Typically 30%
- Limited administrative burden
- Flexibility
- Overhead Drawbacks (LFP)

2. Group Practice

Group practice Structures – Lease vs. Buy

Group practice Structures – Cost Share

- Billing - Eat what you Kill
- Pool and split costs of medical clinic overhead
 - Various methods of splitting overhead
- Pros – Generally tax advantageous
- Pitfall – Legal agreements and formality of group
 - Retiring members
 - Liability around MOA's and staff

Group practice Structures – Partnerships

- Sharing revenue pools

Group practice Structures – Other

3. New BC Pay Model

New BC Pay Model: Overview

- Launched February 1, 2023
- To provide a more sustainable and rewarding career
- Paid for clinic based care, including time spent outside of visit (reviewing test results, referrals and planning)
- Simplified billing system
- Compensated based on the number and complexity of patients
- More BC residents will have access to a family doctor
- Physicians will be able to provide better care

Other Tax Considerations:

- Timing of incorporation
- Common expenses
- Home purchase
 - HBP (RRSP)
 - FHSA
 - HBTC
- Debt repayment
- Rural locum physicians

Questions & Answers



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Thank you!



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QUESTIONS?

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