

# LIGHTHOUSE Beacon

CHRISTMAS 2023

## Christmas Greetings!

It has been another wonderful year at Lighthouse Financial. Every day we get to work for and with people we enjoy. We also get the privilege of helping you steward the resources God has given you while sharing a common belief – that Jesus is the reason for the season.

One of the highlights this year was seeing many of you, your friends, and families at our annual Client Appreciation Event “Take a Walk on the Wild Side...” at the Edmonton Valley Zoo at the end of September. It was a beautiful night; the animals were out, and 91 pizzas were served.

Some of you have experienced the loss of a family member or have a health concern that may affect your ability to enjoy the Christmas festivities. Earlier this month, my 93-year-old father graduated to his eternal home. Although we miss our loved ones, we are comforted that they have entered the “throne room” and are free from pain and suffering. What a comfort!

In this newsletter we share words of wisdom from famed investor, Charlie Munger who passed away at the end of November. In Planner’s Corner we discuss increases to Canada Pension Plan contributions for employers and middle-income earners in 2024.

Thank you for your continued support. Have a wonderful Christmas. We wish you God’s continued blessings in 2024.

Jim Hummel, CFP® CKA®  
Ella Mae Cupido, Licensed Assistant  
Carol Slomp, Office Manager



## Out of Office Alert

Dec 22-28 Christmas break – office closed.  
Jan 15-26 Jim away

Jim will again be mixing concrete and helping to build latrines, pilas (water storage) and floors as well as developing relationships in Honduras with a group sponsored by West End Christian Reformed Church, Edmonton and supported by World Renew and Diaconia Nacional de Honduras.

During Jim’s absence, Ella Mae Cupido, Licensed Assistant, will assist with any urgent transactions.



## Mungerisms: Words of Wisdom From Charlie Munger

The world recently lost an investing icon with the passing of Charlie Munger at the age of 99. As the Vice Chair of Berkshire Hathaway, Mr. Munger was Warren Buffett’s sidekick for the past 45 years. This dynamic duo created one of the most admired businesses on the planet, Berkshire Hathaway based in Omaha, Nebraska. Over the years, his punchy viewpoints came to be known as Mungerisms. Below are a few of them:

“The big money is not in the buying and selling, but in the waiting.”

“The first rule of compounding: Never interrupt it unnecessarily.”

“Show me the incentive and I will show you the outcome.”

“The first rule of happiness is low expectations” (my wife Carol’s favorite 😊)

“Three basic rules for career satisfaction

- Work only with people you enjoy.
- Don't work for anyone you don't respect and admire.
- Don't sell anything you wouldn't buy yourself.”

“I constantly see people rise in life who are not the smartest, sometimes not even the most diligent, but they are learning machines.



They go to bed every night a little wiser than when they got up and boy does that help – particularly when you have a long run ahead of you.”

“It is remarkable how much long-term advantage people like us have gotten by trying to be consistently not stupid, instead of trying to be very intelligent.”

“The best thing a human being can do, is to help another human being know more.”

Charlie Munger's quotes are found in many places on the Internet.

## Bloom Where You Are Planted



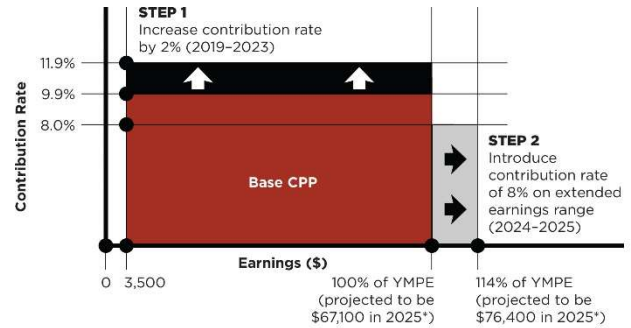
This section will return in future editions.



### Planner's Corner: CPP Expansion

Working Canadians 18 and older make Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) contributions based on their earnings between a fixed exemption amount of \$3,500 and the year's maximum pensionable earnings (YMPE) threshold. The YMPE amount is indexed to inflation. In 2023 the YMPE was \$66,600.

Between 2019 – 2023, contribution rates on earnings up to the YMPE were increased annually to 5.95% employee/5.95% employer. Self-employed people must contribute both the employer and employee amounts.



<https://www.canada.ca/en/employment-social-development/programs/pensions/reports/annual-2021.html#Figure-3>

Beginning in 2024, a second, higher limit, known as the year's additional maximum pensionable earnings (YAMPE) takes effect. CPP contributions between the YMPE and YAMPE, will be 4% each for the employer and employee, and known as the second additional contribution. Note: self-employed people will pay 8%. The additional contribution amounts are kept in a separate account, but still form part of the CPP. Contributors who retire and begin drawing CPP will receive the base CPP plus an enhanced portion based on their lifetime contributions.

In 2024 the YMPE will be \$68,500 and the YAMPE \$73,200. At 4%, the additional maximum contribution will be \$188 each; the self-employed contribution will be \$376.

Bottom line: for employees who make \$68,500 or higher, employees and employers combined, will pay \$935.30 more in 2024 due to increase of YMPE due to inflation + the second additional contribution.

The questions I have, which will remain unanswered, is the second additional contribution necessary and how much responsibility do Canadians have to save for their own retirement?

Jim Hummel, CFP® CKA®

Sources: Rudy Mezzetta, Investment Executive, April 11, 2023

