If the thought of having to write a fat cheque to the government on April 30 has you suddenly thinking it's time to hire a financial planner, you're only partly right. Tax planning, according to the pros, is just one component of a balanced financial plan and only part of what a good financial planner does.

"You need a strategic plan and to think long term," says Linda Hancock, a certified financial planner and senior financial consultant with Investors Group Financial Services (investorsgroup.com/consult/linda.hancock) in Ottawa

"You do need to think about taxes now, but also your taxes when you're retired. A planner can help with that, but also with investments, retirement planning, cash flow management, estate planning and insurance."

Financial planning, she says, typically involves evaluating your current financial picture and long-term goals, creating a strategy for everything from paying off a mortgage to saving for retirement, and monitoring your progress over the years.

Hancock echoes other planners when she says that clearly understanding a client's longterm goals is one of the most important steps.

"It means a lot of listening. It's amazing how often you're sitting with a couple talking about long-term goals; one says they want to travel when they're retired, and the other says, 'What, you want to do that?' People just don't talk about these things," Hancock says.

Although there are independent financial planners, many work with larger organizations.

Those with financial services companies, like Investors Group, usually charge nothing to create and manage a financial plan. Clients, however, do pay a management fee and other expenses, normally called a "management expense ratio" on mutual funds.

Those fees can range from half to more than two per cent a year on total assets, and part of the fee goes to the financial planner.

Planners working for banks and other financial institutions also offer no-charge financial planning. "Fees are built into products and services, just like any banking service," says Bernie Clermont of the Royal Bank of Canada (RBC). However, clients do pay the management expense ratio which, at the RBC averages 1.5 per cent, he says.

Other planners on a fee-for-service basis. They service mostly more affluent clients and often assume a level of investment sophistication on the part of their clients.

In Ottawa, for example, Ryan Lamontagne Inc. (ryan lamontagne.com) deals with clients whose accounts start at $100,000.

The company charges $1,000 to $5,000 for a comprehensive financial plan or an hourly fee of $125 to $200 for financial consulting. Ongoing clients pay a flat annual fee plus a percentage of assets.