

where your dreams matter

CONTACT

Let *US* serve up fast & simple RRSP solutions



The 2 MINUTE RRSP

The 2 Minute RRSP Application

With RRSP season heating up, your credit union offers one of the fastest and simplest ways to make this year's RRSP contribution. The easy-to-prepare 2 Minute RRSP Application is back, providing the ultimate in convenience to our members.

You'll find the 2 Minute Application in your monthly statement, in-branch or online. Just fill it in, then fax or mail it back – you'll receive telephone confirmation upon receipt.

Plus, you can take advantage of:

- Expert assistance from our Personal Account Managers
- A full range of RRSP options including term deposits, mutual funds and bonds
- Tasty term deposit rates that are 1/2% to 1% above the posted rates of most financial institutions

RRSP Loans at Prime!

Need more funds to maximize this year's RRSP contribution? Use our quick and easy 2 Minute RRSP Loan Application. You'll enjoy fast approvals, plus we offer great rates with RRSP loans at PRIME.

Tuck it away now. Decide where it goes later.

Can't decide how to invest your RRSP? Then put it on simmer! You can make your contribution now, then we'll help you move it when you have more time to consider your investment options.

**Be sure to
set your timer!**

**The RRSP deadline
is March 3, 2003!**



The most painless way to contribute to your RRSP? PAC it in today!

A great way to save for your RRSP is to make regular contributions with a RRSP Pre-authorized Chequing Plan (PAC). With this plan, the funds come right out of your chequing account and go straight to your RRSP. You can start with as little as \$25 per pay, and the plan can be easily set up just by contacting your credit union.



RRSP Essentials
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Nominations

This year, three positions are to be filled on the Board of Directors, each for a term of three years. Nominees must be members in good standing and must be nominated by two other credit union members. Nominations will be accepted until March 14, 2003 and must be mailed to:

**Nominating Committee
Ontario Civil Service Credit Union Ltd.
18 Grenville Street, Suite One
Toronto, Ontario M4Y 3B3**

Your Patronage Shares Are In!



Check your December statement

In our Spring issue, we announced the proposed amendment to the Credit Union's Articles of Incorporation that would create a new class of shares, enabling us to pay dividends in the form of Patronage Shares. This amendment was passed and the new shares were created.

Now, we've paid up! Check your December statement – you'll see that a new account has been opened for Patronage Shares in the amount of \$8.50, your share of a profitable year at your credit union. It's another small reward of being a member!

Happy New Year!

*The Board of Directors and Staff
wish you and your family
a happy and prosperous 2003!*

A Review of RRSP Essentials for Your 2002 Contribution

With RRSP season just around the corner, Certified Financial Planner, Sue Wyseman, Manager, Financial Planning Services, answers some of your most common questions about investing in RRSPs.

Why should I contribute to an RRSP?

RRSP contributions are tax deductible, so you can reduce the amount of income tax you pay now, and the income accumulates tax-free until it is withdrawn.

But an RRSP is not only a great way to save for retirement – it also has other advantages over your lifetime. The Home Buyer's Program (HBP) and the Lifelong Learning Plan (LLP) both allow you to use your RRSP before retirement to help finance the purchase of a home or continuing education and training. You will not be penalized as long as you repay the amount according to each plan's guidelines.

How much can I contribute annually?

The Federal Government allows those with earned income to contribute 18% of their previous year's income, to a maximum of \$13,500, minus the pension adjustment indicated on your T-4. This amount is referred to as "contribution room". To help you determine the exact amount you can contribute, Canada Customs and Revenue Agency sends you a Notice of Assessment each year. This document indicates your current contribution room, as well as any carry forward amounts from previous years in which you did not make a full contribution.

When should I start making RRSP contributions?

If you're earning an income, it's never too early to start! By starting early,

you can take advantage of the magic of compound interest, so you can contribute less and save more. For example, if you

If you're earning an income, it's never too early to start!

start at age 25, you can put away as little as \$50 per month and, with an average return of 6%, you will have accumulated as much as \$99,575 by age 65.

How can I minimize my tax at retirement?

If you have a spouse who will earn little or no income at retirement, contributing to a spousal RRSP makes a lot of sense. That's because the higher income earner making the contributions receives a tax deduction as if they were making a contribution to their own plan. Then, when the money is withdrawn at retirement, it will be taxed at the spouses lower tax bracket. To find out if this option is right for you, contact your Personal Account Manager.

Should I put my RRSPs in Mutual Funds?

Many people are asking this question, due to recent declines in the market. But many forget about the actual savings you gain by receiving a tax refund. Even though the market has declined, most people are still ahead because of tax savings.



This leads to an important point: portfolio diversification. If the recent market has taught us anything, it is that all portfolios should have a portion invested in fixed income funds, which are lower risk investments. Also, the closer you are to retirement, the greater the percentage of fixed income investments you should hold in your portfolio.

Should I borrow for an RRSP?

If you can repay the loan within one year, it often makes good sense to borrow for an RRSP. You can use your refund to pay back part of the loan, and easy payroll deductions put it out of sight and out of mind. When you look at the numbers, it's well worth it.

Can I realize the tax savings earlier?

You can realize immediate tax savings by setting up a RRSP regular contribution. Each year, you simply fill out a Deduction

If you can repay the loan within one year, it often makes good sense to borrow for an RRSP.

at Source form (T1213) from Canada Customs and Revenue Agency. Once approved, the amount of your RRSP contribution will be deducted before calculating your tax, reducing the amount of tax on each paycheck. You get your tax savings now, instead of waiting until next April for your refund.

Sue Wyseman is available to provide complimentary financial planning services to all members. Contact her at wyseman@ocscu.com or through member assistance at 416-314-6772 or toll-free at 1-888-516-6664.



Time saving.
Tax saving.
Tasty rates.

Let **US** set you up for some serious fun!



Love that **TOY,**
Love that **RATE!**

Snowmobiles.
Recreational Vehicles.
Boats. Motorcycles.

GO FOR IT!

Whether it's snowmobiling you're dreaming of or getting ready for water-ski season, your credit union's great low rates on Leisure Vehicle Loans should melt the ice! Right now, you can take advantage of rates starting at just 2% above prime!

Some of the lowest rates around!

Compare our low rates with most other financial institutions and you'll find we're often at least 1% to 2% below their posted rates. Plus, there's no down payment, and flexible repayment options with terms up to 60 months. For boats, travel trailers and RVs, the terms are up to 15 years! And there's no penalty for paying it off early.

Before you hit the upcoming boat and RV trade shows, contact your credit union for a fast pre-approval so you'll know how much you can spend. Or visit our web site at www.ocscu.com for a speedy online application.

What's new in the leisure world?

Here are just a few of the shows you won't want to miss. **HAPPY SHOPPING!**

Toronto International Boat Show

January 10 - 19, 2003

The National Trade Centre, Toronto

Hamilton RV Show

January 24 - 26, 2003

Copps Coliseum, Hamilton

Toronto RV Show

February 6 - 9, 2003

Toronto Congress Centre, Toronto

Is more being "swiped" than just your debit card?

How to protect yourself from debit card scams

In Canada, debit cards have become more popular than credit cards, to pay for purchases of all kinds. While the debit card is one of the most convenient and safest ways to make purchases, we want you to be aware of occasional scams that are out there, and how you can avoid being a victim.

How do the scams work?

In one scam, the criminals use fake debit card swipe machines to record the customer's financial information. These machines are not connected to the Interac banking system even though a receipt is given. The recorded card number and Personal Identification Number (PIN) are then used later to steal from the customer's bank account, through the use of a phony debit card.



What you can do to keep your debit card safe

Here are some common sense tips to protect yourself:

- Keep track of all debit card purchases, no matter how small, by frequently checking either Direct Teller or Home Banking services to confirm that all purchases have been recorded
- Always try to deal with merchants/companies you know and trust
- Change your PIN regularly

If transactions are not posted it is a sign that your information may have been recorded.

If you suspect fraud:

- Contact your credit union immediately and give them the details of where the purchase was made
- Cancel your PIN number and create a new one to avoid unauthorized access to your account

By following these few simple steps you can protect your important financial information, and continue to enjoy debit card convenience at your favourite retailers.

How much will your child's education cost?

Ask your credit union about starting an RESP

In a recent newspaper article it was reported that in less than 20 years it could cost as much as \$125,000 to send your child to university for four years*. If you have young children or grandchildren, it's a good idea to start saving for their post-secondary education now. Why not open a Registered Education Savings Plan (RESP) at your credit union?

Tax-free savings

An RESP is a tax-deferred investment that allows you to put money away for your child's education. While the contributions are not tax deductible, no taxes are paid on the income in the plan until the child withdraws money to pay for their tuition. Since most students have low income, little or no tax is paid.

Government Grant

With an RESP you can also take advantage of a government grant. For each \$2,000 contributed annually, the Federal Government will generally pay 20% or up to a maximum of \$400 per year for each child up to the age of 17.

Plus, you'll enjoy:

- Tax sheltered investment income that grows tax-free until it is withdrawn
- Affordable! You can start investing with only \$50 per month, then for as little as \$25 monthly
- Flexible savings options! Choose from daily interest savings, term deposits and mutual funds
- No administration fees

Start saving today!

The sooner you begin, the more time your child's investment will have to grow.

**The National Post,
November 14, 2002*

Investing with your credit union

Member puts her money on personalized service

When it comes to financial planning, Cynthia Roberts thinks that nothing beats the personalized service you get from Ontario Civil Service Credit Union. A member for over 20 years, she used to have her investment portfolio with one of Canada's largest brokerages, as well as some RRSPs with the credit union.

Says Cynthia, "I wasn't getting any service from the broker. My credit union called, however, when term deposit rates started to go down and asked if I had ever thought about diversifying."

Made the switch

After getting that call, Cynthia decided to move her other investments to the credit union.

"When I told the brokerage I wanted to move, they weren't thrilled. In fact, they tried to tell me that I couldn't get the same products and services from a credit union."

Little did they know that through the credit union and CMG-Worldsource Financial Service Inc., members have access to over 3,500 mutual funds, and that the credit union offers complimentary financial planning services to all members.

Cynthia began dealing with Keith Oliver, our financial consultant at the main branch. Keith took the time to review her investments, discuss her goals, and recommend a plan that would help her achieve them.

"When I was with the brokerage, I only met with them once in two years. I may not be the largest investor, but it's my money and it's important to me. I found Keith more approachable. When I deal with him, I feel like my investments are a priority."



Better service

Keith and Cynthia sit down once or twice a year to take a look at her portfolio, and decide if any changes should be made. He studies the market, recommends funds, and keeps her informed about her investment options. It's a relationship that has been successful over a number of years and through the various changes and challenges of the market.

"At a bank, people leave, you deal with someone different every time and they don't know your background. Keith knows me, my situation. When it comes to my money, I like consistency. I can't see myself going back to a bank."

Cynthia also uses other services offered by the credit union. **"I spoke with them about buying a condo. I wanted to know how it works, taking money out of my RRSPs. I also have my house insurance through The Personal. I don't feel hesitant calling them for financial advice."**

The credit union works hard to provide the products and services all members need to reach their specific financial goals, and to be their #1 financial institution.

"I like the people I'm dealing with and feel very comfortable there. The credit union has everything I need."

