



FACT:

Canadian taxfilers
have increased their
contributions to RRSPs
for three years in a row.

(Source: Statistics Canada)

“Getting time on your side is one of the best things you can do to reap the maximum benefit of the tax-deferred compound growth in the plan.”

We dare you to compare!*

Credit Cards vs. Consolidation Loans

The Credit Union	6.75 to 13.20%
TD Canada Trust Visa	19.75%
Sears	28.80%
The Bay	28.80%

* Posted rates as of December 14, 2006.
60 month term. For qualified members.
Variable rate. Subject to change.

Strategies to build a firm foundation for retirement

Eventually we all retire, but the key to retiring is having enough money to maintain our current standard of living during our retirement years. Although the majority of our members have a terrific pension plan, which in turn makes for little RRSP contribution room, this room can quickly add up if you are not contributing year to year. In fact, according to StatsCan, Canadians on average have only used 7% of the available RRSP room they've accumulated. In 2005, almost 86% of taxfilers were eligible to contribute to an RRSP but just 31% actually made contributions.

Contributing to an RRSP for many is about getting a tax refund, which explains why we procrastinate and wait to the last possible moment to make a contribution just before the March 1st deadline. We really give very little thought as to what we are really trying to accomplish.

At the credit union we offer strategies that will work towards meeting your financial retirement goals, not just a quick tax refund.

Start now – It is never too late to start saving for retirement. In fact, the sooner you start the better. Getting time on your side is one of the best things you can do to reap the maximum benefit of the tax-deferred compound growth in the plan. This can be done through automatic savings deductions.

Contribute early in the year – Don't wait until the last minute. You can contribute to your RRSP from January 1 until 60 days into the following year. By making your contributions on January 1 you begin immediately to accumulate tax-deferred earnings inside your RRSP. By waiting you lose 14 months of tax-free growth.

Catch up now – We recommend that you consider an RRSP catch-up loan for some or all of your contribution room. If you can repay an RRSP loan within one year, borrowing to catch up can be a wise strategy. A loan also locks in a higher level of commitment. Think of the loan as a forced savings plan.

Whatever strategy fits you best, your team of Personal Account Managers and Financial Advisors are ready to help you make the right choice. Talk to us today.

Holiday-spending hangover?

Canadians spend about triple what they would normally spend in retail stores in the month of December, so no wonder we feel overwhelmed when the bills start to roll in mid-January.

If you feel you've overindulged, we'd love to help you get back on track with a low rate consolidation loan and a sensible payment plan tailored to your budget.

You'll be surprised how relieved you'll be when you can see how manageable we can make it. **Don't be shy! Talk to us today about making your January bill blues go away!**

The RRSP deadline is Thursday, March 1!

You'll find our popular **RRSP Application** in-branch or online at www.mycreditunion.ca. Just fill it in, then fax or mail it back – you'll receive telephone confirmation upon receipt.

RRSP Loans At PRIME!

We make it easy to contribute as much as you can with our super low RRSP loan rate, quick and easy **RRSP Loan Applications** and fast approvals! Apply in-branch or online at www.mycreditunion.ca.

RRSP questions?

Call Member Assistance at 416-314- 6772 or toll-free at 1-888-516-6664.

IMPORTANT:

New cheques for all

While the deadline has been extended, The Credit Union is advising all members who have not done so in the past six months, to change to new cheques now.

There's a new chequing system that will be in place soon across the country for all financial institutions, so old cheques will be obsolete.

To order your new cheques, talk to your branch or Member Assistance.

CU TIP

What's your RRSP limit?

Simply check the Notice of Assessment you got from the Canada Revenue Agency last year or phone T.I.P.S. line, a free automated tax information phone service, at 1-800-267-6999. You will be asked to provide your social insurance number, your month and year of birth, and the total income you reported on line 150 of your 2005 return.

**GO Figure
RRSP strategies**

With the easy-to-use **GO Figure** RRSP calculator, you can quickly get a better snapshot of how much you need to save to meet your retirement goals. Plus, read up on pre-retirement strategies, Retirement Pension Plans (RPPs) and the Canada Pension Plan (CPP). Researching today, can mean a much more comfortable future for you and your family.

GO Figure is a free online Financial Planning Resource Centre available to all of our members through our website. Visit www.mycreditunion.ca, go to "planning tools," and click on **GO Figure**. Then simply click on the Retirement tab for all of your options!

Plan ahead with Sue Wyseman

Good news about income splitting

Last October, the Federal Government made changes as to how Income Trusts will be taxed. What was lost in the news was the new changes that will now allow pension income splitting between spouses.

Allowing income splitting, will reduce a family's overall tax bill. In the past, the most popular way to income split was for the higher income spouse to contribute to an RRSP in the lower income spouse's name (better known as a *spousal RRSP*). The contributor still receives a tax deduction for the contribution and when withdrawn, it will be taxed on the lower income spouse's tax return.

Some say that with the new tax changes, there may no longer be a need for spousal RRSPs. However, we believe that spousal RRSPs will still continue to provide income splitting among both married and common law partners, especially for those wanting to minimize their tax bill or maybe retire early. For those under age 65, eligible pension income includes income from a registered pension plan. For those over 65, pension income includes income from a registered pension plan, RRSP or a deferred pension plan.

These new rules will make retirement planning more important in the future.

Whenever there are changes to the rules, please don't hesitate to talk to your experts at The Credit Union to find out how they will affect you. We're here to help you find all the advantages you can to build your secure future.

The Personal Insurance

Airbag fraud

With airbags now coming standard in most new cars, airbag fraud is an emerging trend. Airbags are quite costly to replace and re-install, so if someone brings a car in for minor repairs after a minor fender-bender, a dishonest body shop can easily inflate the price of the repair by making it seem like the airbag deployed.

A crooked repair shop can bill the insurance company \$2,000 or more for a new airbag. If you're lucky, they pocket the money and leave your airbag alone. A more greedy outfit might take your perfectly good airbag, sell it on the black market, and fill your airbag space with old rags, cardboard or beer cans. More likely, they will leave you with a stolen, previously deployed or salvaged airbag. You won't know the difference until you are in an accident, but your family will be put at risk.*

To avoid this risk, The Personal recommends that their customers take advantage of their "Certified Preferred Suppliers" and be protected with a lifetime guarantee on repair and workmanship. Not insured with The Personal? Call 1 888 476-8737 for a quote or go online at www.thepersonal.com/mycreditunion.

*Source: Insurance Bureau of Canada

**The
Credit Union**

For All Government Employees

Ontario Civil Service Credit Union Ltd.

18 Grenville Street, Toronto ON M4Y 3B3
www.mycreditunion.ca

Member Assistance: 416-314-6772 or 1-888-516-6664

Direct Teller: 416-325-6818 or 1-800-387-0602