

My RRSP options

Go to mycreditunion.ca for:

- » Board of Directors nominations
- » Safety tips on "Vishing" fraud
- » More ATM access for less

"She graduated from university with a student loan and a car loan.

We set her up with a plan that allowed her to make her loan payments as well as contribute to an RRSP.

Within 18 months, she had enough in her RRSP to use as a down-payment on her first home.

We even opened up a line of credit so she could furnish her new home just the way she wanted."

As told by a Credit Union Member Service Rep



RRSP deadline is
March 1, 2007

I would contribute to my RRSP, but... the DOG ate my sofa!



You know it's time to contribute to your RRSP, but little things keep eating away at your time – and money. Don't worry. We'll help you tend to life's little mishaps. Whether you need an RRSP loan, automatic deductions, great rates on term deposits or a complete investment plan, we will guide you quickly and expertly through all of your RRSP options.

Buy your first home, fund an education, maintain a lifestyle.

RRSPs are not just for retirement

No matter what stage of life you are in, it's never the wrong time to start saving for your retirement or to take advantage of all the added benefits RRSPs offer.

20 to 35 » Your priorities are likely set on establishing credit, buying a house, or starting a family. Setting aside a fixed amount of money each month for your retirement years is probably the last thing on your mind. The good news is that even a small contribution can add up to a lot over the next 30 working years. If you were to contribute \$50 a month at an average interest of 5.0%, your savings would add up to \$41,613!* Plus, you may qualify to use up to \$20,000 of your RRSP tax-free as a down payment on your new home.

35 to 45 » Most of your income is probably committed to monthly expenses and paying off any debt accumulated in your late twenties and early thirties. Having RRSP contributions deducted directly from your pay each month is a secure and convenient way to prepare for your financial future. If needed, your RRSP could be used to help fund future education costs for yourself or your spouse.

45 to 55 » You are likely established in your career and more financially secure. Your priorities may have shifted to building your investments and maximizing their value. A retirement savings plan will help you save on taxes. Diversifying your portfolio with term deposits and mutual funds can help you reduce your financial risk and maximize your return on investment.

55 to 65 » The closer you are to retirement, the more your focus will shift to securing your investments. You may have started thinking about how you would like to spend your retirement years, and should now be considering your post-retirement income options. Knowing more about what type of pension or government programs you are entitled to can help you determine how much you need to save on your own. This is a good time to talk to a financial advisor who specializes in planning for retirement income.

65 and over » Now that you have entered this exciting new stage in your life, it is the money you have set aside that will determine your lifestyle in retirement. You'll want to ensure your assets are protected and that you are earning enough income to maintain your lifestyle.

Turn over to discover the many ways we can help you manage your RRSP.

* Example is based on \$50 contributed monthly over 30 years, with an annual interest rate of 5.0%, compounded monthly. Interest rate is not guaranteed and may fluctuate.

We'll show you how...

We dare you to compare!*

RSP Term Rates

The Credit Union	3.30%
TD Canada Trust	2.60%
CIBC	2.80%
Alterna Savings	2.80%

* Posted rates as of January 5, 2007.
12 month term on \$5,000 deposit.
For qualified members. Variable rate.
Subject to change.

How to get started

For those who like to figure it out on their own:

- Go to mycreditunion.ca and click on "planning tools" to use GO Figure's online calculators to determine how much to invest and how often.
- Check out our CU Tips file or access quick and easy applications online at mycreditunion.ca.

For those who like an expert to walk them through the process:

- Call 416-314-6772 or 1-888-516-6664 to arrange a meeting with one of our qualified financial advisors.
- We will sit down with you to discuss your options and show you how to make your 2006 contribution.

How to simplify your RRSP and save time

Make investing automatic » A pre-authorized payment plan will direct a specified contribution amount from your account into your RRSP or a spousal plan on a regular basis. You will not have to find money at the last minute. Paying yourself first is always a great way to build your savings over the long term. An investment plan can be started with as little as \$25 bi-weekly.

Limit your information intake » With the abundance of investing information available, it is easy to become overwhelmed having to sort through contradictory advice. The best option is to choose one reliable source, gather all your information and present it to a financial planner or investment advisor. They can answer your questions, and help you make confident investment decisions.

Outsource your taxes » Rather than go through the often complicated and in-depth process of filing your taxes each year, hire a qualified accountant to prepare your taxes and benefit from time saved, and a sharp eye for tax savings. Before RRSP season closes ask your accountant to determine how much you can contribute this year. After your taxes are filed, ask for an estimate for this tax year and get started saving early.

Know your options » Whether you're looking for security, diversity or flexibility in your investments, The Credit Union offers a variety of investment options including savings accounts, term deposits, mutual funds and more. We can help you create the perfect investment strategy for your goals. Call our Member Assistance at 416-314-6772 or 1-888-516-6664 to arrange an appointment.

How to borrow to invest

Sue Wyseman, Certified Financial Planner

You know it's important to contribute to an RRSP but what if you just can't find the extra money to do it? Or maybe you're already contributing but wish you could be doing more. Many financial advisors will tell you it pays to borrow to invest. The tax savings plus investment return will often outweigh the loan interest paid.

For members who want to make an annual RRSP contribution. » Consider an RRSP loan, designed for smaller amounts. Repayment is automatically deducted from your account and is paid back within one year of borrowing.

For members who have not made contributions to their maximum and would like to catch up. » Borrow funds and use up the RRSP contribution room you have accumulated in previous years.

By borrowing to invest in an RRSP you may benefit from a tax refund that can be applied back to the loan, helping you save on interest costs and reduce the time it takes to pay off the loan.

Find out how much contribution room you have in your RRSP. Call the T.I.P.S. hotline at 1-800-267-6999 or register online at www.cra.gc.ca/myaccount. 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 last filed return.