

My Investment and Tax options

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“She’s ready to retire, but her finances are not.

With only one income coming into the household and loans to still pay off, she needed a plan that would help her reach her retirement goals - fast.

We reviewed her options and consolidated her loans to get her one convenient monthly payment. She was able to increase what she was paying down on her mortgage and now it will be paid off before she retires - in five years.”

As told by a Credit Union Member Service Rep



Tax filing deadline
is April 30, 2007

I’ve invested in my RRSP... now what?

Now that you’ve made your contributions for 2006, it’s the perfect time to explore your investment options. Use the descriptions below to determine whether your investment style is conservative, moderate or aggressive. This is the first step in creating a portfolio individualized to you.

Conservative » You have a low tolerance for risk. You prefer to protect your investments even if that means passing on the potential for a higher rate of return. GICs, term deposits, bonds and conservative equity funds are good choices.

Moderate » You have some risk tolerance and may venture the unknown for the possibility of a higher return. A mix of investments through a diversified mutual fund portfolio will reduce some of the risk and provide greater growth potential.

Aggressive » You are completely comfortable with risk, have a long time horizon to invest and are willing to take a chance in the hopes of gaining a higher return. You accept the possibility of loss and understand investment markets are constantly shifting. Like moderate investors a diversified mix of mutual funds is a good fit, but will include riskier investments like resource funds, European funds and/or Asian funds.

It is possible that you fall into several of these categories – maybe you’re willing to take some risk with certain investments, but not others. At The Credit Union we will guide you through the process of building a customized portfolio that meets your specific investment needs and comfort zone.

Tax Refund - Save or Spend?

The one thing most of us look forward to during tax season is the possibility of a refund. But should you save it or should you spend it? Here are a few ideas to help you put your refund to work for you.

Pay off your RSP loan » If you borrowed to make this year’s contribution or to maximize your investments, you can use your refund to pay back all or a portion of the loan. You’ll not only save on the interest you pay, you’ll also reduce the time it takes to pay it back.

Make your 2007 RRSP contribution » Get a head start on the coming tax season and use your refund to make 2007’s contribution.

Pay down debt » The general rule is to eliminate debt with the highest interest rate first. Compare the interest rate charged on your department store and credit cards, some of which can be upwards of 28%. Then pay down the highest interest rate card first or at the very least increase your payments to this card.

Mortgage payment » Your mortgage loan will usually include the option to make an annual lump sum payment. By making just one additional payment per year, you could knock years off the life of your mortgage and save hundreds, even thousands of dollars in interest.

Contribute to your child’s RESP » If you don’t already have a Registered Education Savings Plan for your child, now is the perfect time to start. It’s a great way to save for your child’s education and through the Canada Education Savings Grant program the government will also contribute within specific limits.

Emergency fund » It’s a good idea to have money set aside for unexpected expenses like house and vehicle repairs, or in the event of an unexpected reduction of household income. A safe estimate is to save three to six months of your regular household income.

Turn over to discover the many ways we can help you reduce the tax you pay.

We'll show you how...

We dare you to compare!

RSP Term Rates

The Credit Union	3.30%
TD Canada Trust	3.10%
CIBC	3.10%
Alterna Savings	3.10%

* Based on a \$5000 investment for a one year term.
Posted rates as of February 21, 2007

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 access GO Figure's online tax planning tips and calculators.
- Go to QuickTaxWeb.ca to file your taxes online using their quick and easy program.

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 help you work out a plan that is right for you.

How the process works.

With Sandy Gauthier, Branch Manager and Mutual Fund Advisor

When it comes to creating an investment portfolio that's the right fit for your risk level and financial goals, it's hard to know where to start or which options to choose.

The Credit Union can help. We'll walk you through the steps to creating or diversifying your portfolio.

1. We'll sit down with you to discuss your investment history, current financial situation and review your goals for the future.
2. You'll complete a risk tolerance survey, which will help us determine the investment options that are right for your needs.
3. We'll talk about your comfort level with investing and bring you up-to-date on the latest strategies for creating a diversified portfolio.
4. If you have any investments with other financial institutions, we'll review those and answer any questions you have.
5. Using mutual fund software we review your current options and help you get a better picture of what's involved.
6. From here we'll put together a plan and meet with you to present a portfolio suited to fit your needs.
7. Once you're happy with the recommended investment portfolio we've mapped out, we'll confirm your paperwork and you'll take home your detailed plan.
8. Finally we'll continue to monitor your portfolio, make modifications with your approval and review your performance annually or as discussed.

Call our Member Assistance at 416-314-6772 or 1-888-516-6664 to arrange an appointment.

How to reduce the tax you pay and increase what you get back.

It is estimated that a high percentage of the population pay too much in taxes. Get some tax relief by knowing these simple tax strategies.

Deductions » Contributing to RRSPs and paying union or professional dues can help you reduce the amount of income that is taxed.

Credits » Charitable donations and property taxes are examples of credits that can be deducted from the amount of tax that is payable.

New deduction » As of July 1, 2006, if you use public transit your monthly transit pass qualifies as a deduction.

RRSP investments » Contributions are tax deductible up to your limit and the money invested also grows tax-free as long as it remains in a registered account.

Professional advice » Accountants and financial experts who specialize in income tax filing can be a great resource and are often your best bet come tax time.

The Credit Union
For All Government Employees

We'll show you how.

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

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

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