

News & Views

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Earn Your Spot in the 'Stock Star Hall of Fame' Play the Stock Market Challenge

With the recent volatility in the markets there's never been a more exciting time to jump in. And what better way to test your slickest strategies than with play money?

Your Credit Union's online brokerage partner, Credential Direct, and the National Post invite you to try your hand at trading in a virtual market – without using any of your hard earned cash! Play the Stock Market Challenge and compete against your fellow Canucks for your share of over \$150,000 in cash and prizes.

You could win...

- » 1st Place: \$25,000 each to the Top Trader (makes 25 or more trades during the game) and Top Investor (makes less than 25 trades)
- » 2nd Place: \$15,000 each to the Top Trader and Top Investor
- » 3rd Place: \$10,000 each to the Top Trader and Top Investor
- » PLUS: Really great daily prizes for active participants and for inviting friends

It's free to play and it's the perfect way to hone your trading strategies, or learn to play online using fantasy cash.

Contest closes January 16, 2009. Winners announced in February. Good luck and may the best Stock Stars win!

Play the game at StockStar.ca.

Online brokerage is offered through Credential Direct, a division of Credential Securities Inc., operating as a separate business unit. Credential Securities Inc. is a Member-CIPF. @Credential Direct is a registered mark owned by Credential Financial Inc, and is used under licence.

Denis Laframboise Chief Executive Officer

On behalf of the Board of Directors of Your Credit Union, Rob Vye, Chair, is pleased to announce the appointment of Denis Laframboise as its Chief Executive Officer.

Mr. Laframboise has over 31 years of experience in the co-operative sector of which the last 21 years as a senior manager with a number of Caisses Populaires. In his most recent role, Mr. Laframboise held the position of General Manager at the Caisse Populaire d'Orleans.

Mr. Laframboise is currently a member of the Board of Directors of the Economic Development and Employability Network of Ontario (RDEE) and the Montfort Hospital. He is currently the President of the Montfort Hospital Foundation.

Your Credit Union is a financial co-operative proudly owned by its members for over fifty years. Your Credit Union has over \$190 million of members' deposits and serves more than 16,000 members from its nine branches in Eastern Ontario.

Invest in Your Future With an RRSP

You may be considering investing in a Registered Retirement Savings Plan to mark the beginning of the New Year. Or perhaps saving for your retirement is an ongoing financial goal.

No matter what the reason, investing in your future could mean the difference between enjoying your well deserved retirement or eking out a living. March 1, 2009 is the deadline for contributing to an RRSP for the 2008 tax year, so start examining your options now.

To RRSP or not to RRSP?

That's a decision only you can make but the money you invest now will keep on giving when you finally decide to retire.

Even though most of us can't afford to contribute large amounts to their RRSP at the end of the tax year, almost everyone can set up a savings plan that deducts a monthly or biweekly amount from their paycheck or bank account. Even by starting with a small monthly contribution, investing in an RRSP now will help ensure you'll have a more comfortable retirement later.

Why invest in an RRSP?

- » Your contributions are tax deductible and could provide you with a tax refund
- » Investments in an RRSP grow tax-free. Consider making your RRSP contribution earlier in the year

- or even on a monthly basis. By contributing sooner than later, your money will have more time to grow tax-free
- » Earnings on RRSP investments aren't taxed until withdrawn

Following the rules

- » You can invest 18 percent of your earned income, up to a maximum of \$18,000 to an RRSP for the 2008 tax year
- » Unused contributions can be carried forward for an unlimited period. If you come into an unexpected windfall, you might consider using some of it to maximize your RRSP contribution or make up for missed contributions from previous years
- » Wise investors use their tax refund to top up their RRSP or pay down their RRSP loan if they borrowed to make their RRSP contribution. RRSP loans can make a lot of sense if investors do not have cash on hand to make a contribution to an RRSP. Don't borrow, however, unless you are able to make the payments
- » Contributions must be made within 60 days of year-end. But don't wait until then — contribute early in the year to take advantage of tax-sheltered capital appreciation and interest accumulation
- » Arrange a savings plan as soon as possible. By withholding source deductions and transferring amounts to a group plan, you get the benefit of the RRSP tax deferral right away instead of having to wait until tax time for a refund. If you don't have a group plan at work, you can still make contributions before income tax is levied on your earnings. Talk to your financial advisor



Taking care of yourself in retirement is something only you can do and it's never too late to start.

Dos and don'ts of investing in an RRSP

- » Don't wait because you think you can't afford it
- » Do cut down on unnecessary expenses and invest that money in an RRSP so it can compound in a tax-deferred account. Even \$50 a month deducted from your paycheque is better than none at all
- » Don't worry about following the volatile short-term stock market. Do follow a disciplined, long-term investment strategy. Work with a financial professional to clarify your investment objectives and select an appropriate asset allocation between the wide range of investment products available
- » Do maximize foreign content. Federal legislation allows a foreign content limit of 30 percent. Take advantage of it
- » Do reap the benefits of the tax break but don't make that your only goal. Long-term saving in an RRSP allows you to defer taxes but if you dip into the funds, you'll have to pay penalties and taxes on the withdrawals—up to \$20,000 can be withdrawn without penalty for buying a home or entering full-time education
- » Do use your tax refund and borrow if you must to maximize your RRSP contribution. But don't delay in repaying your loan if you borrow or you'll pay heavily in additional interest charges
- » Do remember that even if you are over age 71, you may have earned income and RRSP contribution room. If your spouse is under age 71 and you have income from a rental property or employment, you can make a spousal contribution and claim the deduction
- » Don't forget your RRSP has to be dismantled in your 71st year. It can be converted to a Registered Retirement Income Fund with the provision that specific withdrawals be made annually, while taxes are deferred on the rest of the assets

Congratulations

In 2002, Your Credit Union created the Scott Smith Service Award for Excellence which recognizes employees who go above and beyond our member's expectations.

This year, the two recipients of the award are: Audrey Helmer (Cornwall branch) and Joyce Musgreave (Operations Department).

Congratulations.

Tax Free Savings Account

It happens every year. Moments after ads starring Old Saint Nick disappear up the chimney, new ads appear reminding you that retirement is just around the corner. And how should you be preparing for that event? With a registered retirement savings plan (RRSP), of course. But the truth is, an RRSP isn't your only option. Depending on your situation, you can start saving for retirement with a Tax-Free Savings Account (TFSA)—or investing in a combination of both.

The Basics

A registered Tax-Free Savings Account allows Canadians 18 years of age and older to save up to \$5000 each year. This amount can include all kinds of investments including term deposits, high interest savings accounts and mutual funds.

However, unlike an RRSP, contributions to a TFSA are not tax deductible. So what's the appeal?

The Benefits

Interest and investment income earned in a TFSA—including capital gains—are not taxed on withdrawal, and there are no restrictions on how the money is spent.

Funds can be withdrawn at any time without penalty and any amount you withdraw can be put back into the tax-free account without reducing your contribution limit.

Even better, neither the income earned in a tax-free account

nor withdrawals from it affect eligibility for income-related benefits and tax credits such as Old Age Security pension payments.

It's an important point—especially when you remember that Old Age Security pension starts to be taxed back once your income hits \$64,718. While contributing to RRSPs may help decrease your tax bill when you're younger, the opposite is true when you're older.

And speaking of taxation, if you haven't considered yet what will happen to your RRSP when you or your spouse dies, you need to.

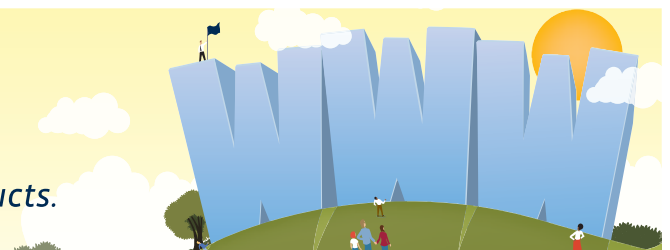
Do a little digging, and you'll find you can pass along an RRSP tax-free to your spouse when you die, but there's a big tax grab when both of you are gone. How big is it? Try this: take the amount in your RRSPs or RRIFs and reduce it by half. That's roughly how much will be left once the government gets through with it.

After-tax savings like those offered through a TFSA, on the other hand, can help enable you to leave a bigger estate to your family.

To learn more about how tax-free savings accounts and RRSPs can help you prepare for retirement, contact a member service officer at your branch.

Visit the new yourcu.com

New online banking tools and easy access to valuable information about our services and products.



'Tis the Season for Savvy Spending

Stretching your holiday budget doesn't mean you'll be giving lumps of coal as gifts this holiday season. Smart shoppers have always known that Christmas doesn't have to cost a lot to be fun.

You might consider setting spending limits or participating in family lotteries. But if you must give presents or entertain, here are a few rules to follow:

- » Determine the total amount you can spend and do not go over budget
- » Simplify gift giving. Ask people what they want and need. You'll be able to choose more wisely from their lists than your perceptions
- » Go to a nearby shopping mall with your shopping list in hand. Don't succumb to impulse buying
- » Make holiday dinners potluck. Have family members bring their own special dishes
- » Give a family gift all can enjoy, such as a museum or aquarium yearly pass. Subscribe to a high-quality magazine everyone will read
- » If someone gives you a gift you don't like or need, save it to give as a gift later on. But don't accidentally give it back to that person!
- » Ask family members to set a price limit on gifts. Insist everyone stick to the agreement
- » If you're stuck for ideas or cash, consider giving your time as a gift, including free babysitting, housecleaning or lunch out every few months. Seniors would be especially appreciative of help around the home
- » Give gifts to children only, eliminating adults on your list, or give adults inexpensive gifts such as a box of chocolates

Credit card planning tips

There are many ways to use your credit cards more wisely during the holiday season. Here are some suggestions:

- » Make up a budget and don't spend more than you can afford to pay back within one month. Too many people buy extravagant presents and let the credit card bills mount

Buy your holiday gifts all year round. It saves you spending a wallop of dough in December. The average MasterCard

household balance is \$2,241, most of that accumulated during the festive season

- » Shop early for the best price and selection and to avoid hefty January bills. Some retailers raise their prices closer to the season and others may be out of what you want. This is especially true of children's toys
- » Pay bills ahead of time or add an additional 20 percent to each bill a few months before Christmas. You'll be grateful for the decreased financial pressure when December arrives
- » When the credit card bills come in, pay off the maximum you can afford not just the minimum

Let your fingers do the walking

- » Check out Internet shopping sites but be careful: www.fraud.org/internet/intset.htm. Many operate in US funds and charge hefty shipping and handling fees. And don't forget that Canada Customs duty will be levied at the border, along with both GST and provincial sales tax. Plus, Canada Post may charge an additional \$5 for delivery of US packages over and above the shipping charges you've already paid the vendor
- » Even if you shop online in Canada, be wary: www.bankrate.com/brm/news/sav/20001024a.asp. Christmas e-tail sales were huge in the U.S. last year but many shoppers received their goods late or not at all

Be creative and save!

- » Make your own personalized gifts — jam, gourmet vinegar or wardrobe sachets are easy and don't take too much time — or visit craft fairs
- » Give donations in a family member or friend's name to a charity of their choice
- » Shop at thrift or discount stores, garage and yard sales for Christmas gifts, decorations and craft materials
- » Entertain at home or hire a caterer instead of going to a restaurant
- » Stock up on non-perishable food items — don't forget the food bank— to avoid holiday markups