

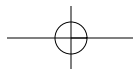


# RRSP GUIDE



**Desjardins**

Money working for people





2] THE DESJARDINS RRSP:  
A PLATFORM TO LAUNCH YOUR DREAMS

4] PROFIT FROM LIFE...  
YOUR WHOLE LIFE!

7] CONTRIBUTE TO MY RRSP  
AT JUST 25 YEARS OLD?

11] HOUSE – WORK – FAMILY – ENTERTAINMENT...  
WHO HAS ROOM FOR RRSPs?

14] THE RETIREMENT DREAM  
GETS CLOSER

16] REGULAR INSTALMENTS FOR DESJARDINS  
RRSP INVESTMENT SOLUTIONS

17] DESJARDINS RRSP CASH  
INVESTMENT SOLUTIONS

21] DESJARDINS RRSP  
FINANCING SOLUTIONS

23] DESJARDINS COVERAGE SOLUTIONS  
AND RETIREMENT SECURITY

24] RRSP INFORMATION  
SOURCES



# THE DESJARDINS RRSP: A PLATFORM TO LAUNCH YOUR DREAMS

When you think about your retirement – the longest vacation in your life – you probably have exciting projects in mind.

If you want the future you deserve, you'd better start thinking about it now. And the Desjardins RRSP is the ideal financial tool to bring your retirement projects – and your wildest dreams – to fruition.

## WHAT EXACTLY IS AN RRSP?

The Registered Retirement Savings Plan, commonly referred to as the "RRSP", is a saving method that helps you invest the savings you make throughout your life to supplement your other retirement income.

The main advantage of this government-regulated program is the postponement of the income tax payable on your contributions. Every penny you invest in your RRSP is deducted from your annual revenue, bringing you income tax savings in the short term, usually in the form of a substantial refund after you've filed your income tax return. Moreover, the income your investments generate, whether in the form of interest, dividends or capital gains, is also tax-sheltered. When you retire, you can spread your withdrawals over many years, and you only pay income tax on the amount you withdraw. That way you reduce your income taxes because your annual income will probably be lower than when you were working.

Furthermore, your RRSP is not only for your retirement. It can be used to buy your first property or pay for your return to school without your being taxed on it. Finally, it is comforting to have this financial cushion in the event of a period of unemployment or maternity leave.

## ARE YOU WEALTHY ENOUGH TO LOSE THOUSANDS OF DOLLARS?

Income tax savings are tangible. An RRSP contribution of \$5,000 could actually be worth \$7,000<sup>1</sup>! Why? Because the deduction obtained for a contribution of that size this year is \$2,000. That would be a nice income tax refund coming up that you could reinvest, pay off your debts with or use for whatever you see fit. What's more, your initial \$5,000 RRSP investment grows without being taxed, so it grows more quickly.

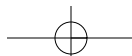
VALUE OF A \$5,000 RRSP CONTRIBUTION <sup>2</sup> IN:	
20 years	\$17,618
30 years	\$33,072
40 years	\$62,080



As you can see, RRSPs are doubly advantageous. Your annual RRSP contribution is an important step towards making your dreams come true.

You have income? Well, think of yourself first and pay yourself first! It's easy: write your RRSP contribution into your budget\*. That way you maximize the value of your money now while planning for your dream retirement!

<sup>1</sup> A \$5,000 contribution made from a \$76,000 taxable income in Québec and a \$78,000 taxable income in Ontario, in 2008.  
<sup>2</sup> Calculation based on a diversified portfolio with an effective rate of 6.5% compounded annually.  
 \* For tips on making your budget, go to [www.desjardins.com](http://www.desjardins.com) in the "Personal" section, under "Tools".





## THE DESJARDINS DIFFERENCE

Contributing to your Desjardins RRSP is a cooperative gesture because you're investing your money in a financial institution that belongs to you and your community: the Desjardins caisse. In return, it contributes to local and regional economic development.

Moreover, your Desjardins caisse is the only financial institution that offers you the possibility of obtaining member dividends on your savings. If the financial results of your cooperative allow it, and the members vote for it in the General Meeting, the caisse will pay you a member allocation, or dividend<sup>3</sup> that is added to your investment interest.

### SURPLUS SHARES PROGRAM

By registering in the Surplus Shares program at your Desjardins caisse, you can increase the amount of your member dividends by 30%<sup>4</sup>.

The main advantages of the Surplus Shares program:

- The amount of your member dividend will increase by 30%<sup>4</sup>
- Your shares could generate an annual yield that is 17% greater than the average rate of a one-year term savings
- Contributing to your RRSP using your surplus shares will save on income tax

For more details on the Surplus Shares program, visit [www.desjardins.com/patronageallocations](http://www.desjardins.com/patronageallocations)

## EXPERTS AT YOUR SERVICE

At Desjardins, you'll find a large network of highly qualified financial planners\*\* and advisors. Our lives are punctuated by great events such as birth, buying a house or a promotion. To help you harmonize the present and future, there is nothing like the professionalism of Desjardins advisors. Equipped with the latest expertise, they'll support you in realizing your objectives throughout your financial life.

<sup>3</sup> Due to provincial legislation, certain member dividend payment conditions may differ in Ontario. For more information, please contact your caisse.

<sup>4</sup> The increase may eventually vary. If it does, participating members will be notified.

\*\* Financial planners and mutual fund representatives work for Desjardins Financial Services Firm Inc., a Desjardins Group subsidiary.

## PROFIT FROM LIFE... YOUR WHOLE LIFE!

To live life to the fullest, good planning is essential. And since time is a crucial factor in growing your money, you're definitely better off preparing the longest vacation of your life as soon as possible by contributing to an RRSP. Have you thought about the fact that this "vacation" could be as long as the time you've spent working?

Too many people overestimate government annuities at this step of their financial journey. To profit from life... your whole life, we recommend:

- establishing your retirement goals,
- evaluating your financial situation,
- knowing your investor profile,
- creating your investment strategy,

and doing it with your Desjardins advisor. It's what we call financial retirement analysis, and we're going to briefly touch on its major aspects, below.

### WHAT IS YOUR IDEAL LIFESTYLE?

- Heading for adventure in a motor home?
- Visiting exotic countries?
- Developing your artistic talents?
- Hunting and fishing?
- Spoiling your grandchildren?

Whatever your retirement projects, you need to identify your goals so that you and your Desjardins advisor can realistically estimate the income you'll need to reach them. How much money will you need to enjoy your passions fully? The answer to this crucial question is the ultimate focus of your action plan.

### WHERE DO YOU START A GOOD FINANCIAL PLAN?

Once you know where you're going, you have to be clear on your starting point, which means taking stock of your financial situation. A realistic portrait of your finances today allows you evaluate the road you need to travel to get where you're going.

Obviously, saving requires a certain discipline, which is a lot easier to muster when we know our efforts will be rewarded! To draw up your balance sheet and clearly evaluate your net worth, call your Desjardins advisor or visit [www.desjardins.com](http://www.desjardins.com) in the "Personal" section, projects "Plan your retirement", under the heading "Tools", "Your personal balance sheet".

## DO YOU KNOW WHAT YOUR INVESTOR PROFILE IS?

Evaluating your investor profile is an indispensable element underpinning your investment strategy and, consequently, your financial success. If you haven't already done it, you and your advisor\* can establish it after having discussed various points concerning:

- your personal and financial situation,
- your investment experience,
- your tolerance of market fluctuations,
- your investment objectives, and
- the time you have to accumulate and grow your money.

Using your investor profile, your Desjardins advisor will analyze your file and recommend products that suit your aspirations, proposing a diversified portfolio in keeping with your personal parameters. A well-diversified portfolio will give you peace of mind while your RRSP grows.

### FOR A CLEAR PICTURE, ASSEMBLE YOUR RRSPS!

If you have RRSPs in more than one financial institution, transfer them all to your Desjardins caisse. That way, you and your advisor can have a bird's eye view of your assets so you can:

- simplify your portfolio management,
- optimize your investment strategy,
- make a judicious choice of complementary products,
- maximize the foreign content of your RRSP portfolio to take full advantage of stock markets,
- obtain practicable advice to reduce your tax burden, and
- more easily follow the evolution of all your RRSP investments using the AccèsD service on our Web site: [www.desjardins.com](http://www.desjardins.com) under the "Savings and Investments" tab.

To help you transfer your funds from other institutions, speak to your Desjardins advisor, who will contact the appropriate institutions and have them transferred at the most favourable time.

\* The advisor is a mutual fund representative for Desjardins Financial Services Firm Inc.



## A QUESTION OF INVESTMENT STRATEGY

Your strategy wouldn't be the same if you just graduated as it would be if you were a decade from retirement. Your Desjardins advisor will suggest solutions in line with your objectives and your financial capacity, helping you decide on the investment frequency that best suits you and the amount to contribute to your RRSP – to reduce your taxes and grow your assets. Your advisor is also well placed to advise you on low-interest RRSP financing solutions, if you need any, at very advantageous rates. As the final step, your savings will be invested in a portfolio tailored to your needs, taking into account your investor profile and your investment outlook.

## HOW MUCH SHOULD I INVEST IN AN RRSP?

In a few words, every year you can contribute up to 18% of the income you earned during the previous year. This rule is subject to a \$20,000 ceiling for 2008 and \$21,000 for 2009. Normally, any contributions made during the first 60 days of the year (January 1 to March 1) can be deducted from your taxable income of the previous year, the current year or the following years. RRSP contributions contributed after that (from March 2 to December 31) are deductible from the taxable income of the current year or the following years. If you haven't contributed to the maximum annual limit since 1991, the amounts accumulate in the form of unused contributions that you can use later on.

To know the amount you can contribute this year and your unused RRSP contributions up to now, look at your last Canada Revenue Agency Notice of Assessment (CRA). The amount is indicated under the heading "maximum RRSP deduction for the current year". You can also find out by calling the CRA at 1-800-267-6999 or visiting [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca), and looking under "My Account". Contributing the maximum, including your unused contribution room, allows you to benefit from a substantial income tax refund and, above all, to rapidly increase the value of your portfolio, with an eye to the retirement of your dreams. Maximize your contributions to keep time on your side!

## CONTRIBUTE TO MY RRSP AT JUST 25 YEARS OLD?

You're 25 years old and you're revelling in the freedom that financial independence gives you, right? Well, you'll appreciate that liberty just as much at 65, when you have a lot more time on your hands! And living life to the full today while saving for your future is actually possible, thanks to Desjardins RRSPs.

The RRSP is an ingenious product for anyone who has income, because all money invested in an RRSP is 100% deductible from your taxable income. What's more, the earlier you begin contributing, the more your investment will grow. What a fantastic way to accumulate capital and make your dreams come true!

Moreover, the income tax refund you'll receive after you've filed your income tax form could come in very handy to improve your financial situation. You can use it to pay your student loan, pay off the car loan, reimburse your credit card... you name it.

## BUILD UP YOUR RRSP LIKE YOU PAY GROCERIES

Don't you always keep money aside for your groceries\*? It could be the same for your RRSP. If you have a regular income, contributing to your RRSP by regular instalments is THE most effective, flexible way to build your portfolio. Your investment starts bearing fruit from the first day, and your earnings accumulate more rapidly than if you only contributed once a year. Another advantage: your investment is no longer an unforeseen expense. It becomes a part of your budget just like your rent or your grocery bills. And with a Desjardins RRSP, you can choose the frequency payment: weekly, every two weeks or monthly. To make it even easier to manage, why not have your contribution withdrawn right after your paycheque comes in. There are many Desjardins products available in regular instalment RRSPs, such as regular instalment term savings and Desjardins Funds<sup>1</sup>.

With a regular instalment RRSP, you can, if you wish, slowly add your unused contributions. Also, with this accumulation formula, you can get immediate tax savings all year long without waiting for your refund in the spring. If you like the sound of this option, speak to your Desjardins advisor, who will supply you with the required forms to inform the government.

There is another possible solution: the Desjardins Group RRSP, through your employer, allows you to amass a sizable amount of capital... easily and effectively. Your contributions, deducted directly from your salary, provide immediate tax savings. This savings method requires that your employer be registred.

Do you want to simplify your investment management? It's possible, thanks to our Desjardins Funds Diapason and Chorus Portfolios! They offer you sound diversification in a single investment. Each contribution is invested in a portfolio that corresponds to your investor profile, using a very effective formula to maximize the return potential of your RRSP. To find out more about which of our Diapason or Chorus products is best suited for you, talk to your Desjardins advisor.

<sup>1</sup> Desjardins Funds are offered by the mutual fund representatives of Desjardins Financial Services Firm Inc., a Desjardins Group company. The Desjardins Funds are not guaranteed, their value fluctuates frequently and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing.

\* For tips on making your budget, go to [www.desjardins.com](http://www.desjardins.com) in the "Personal" section, projects "Plan your retirement", under the heading "Tools", "Your personal balance sheet".

## PUTTING OFF YOUR RRSP CONTRIBUTIONS COULD GET IN THE WAY OF YOUR DREAMS

Peter is 25. He does want to contribute to his RRSP eventually, but maybe not right away. He thinks that starting at 30 is good enough. Little does he know, this decision could cost him a lot... including some projects he holds dear!

AN RRSP CONTRIBUTION OF \$50 PER WEEK STARTING AT 25 YEARS OLD <sup>1</sup>		
Accumulation period before 65, and amount accumulated:		
25 years	\$158,558	Difference of \$139,051
30 years	\$232,615	
35 years	\$334,092	
40 years	\$473,143	

**\$139,051.** The difference between \$473,143 and \$334,092. That's how much less he'll have at 65 if he starts his RRSP at 30 years old instead of right away. With all that money he could take quite a few trips... buy a very nice yacht... or purchase a secondary residence. Makes you think, doesn't it? Can you afford to deprive yourself of that much?

## DREAMING ABOUT YOUR NEW HOME? YOUR RRSP IS THE KEY!

The Desjardins RRSP is an effective way to get that trendy downtown loft, the condo in the suburbs or dream house in the country, thanks to the government program known as the Home Buyers' Plan (HBP). With it, you can apply your RRSP to the down payment for your first home, without paying income taxes on the amount withdrawn. Under the HBP, you can withdraw up to \$20,000 from your RRSP (\$40,000 per couple) to help you buy a property to use as your main residence. One of the conditions of this program is that you become the owner before October 1 of the year following your withdrawal.

Starting two years from the date you withdrew your money under the HBP program, you have 15 years to repay the sum you withdrew from your RRSP, with no interest charges. Each year, you have to contribute at least 1/15th of the amount withdrawn, which would be \$1,333 for the maximum \$20,000. Of course, you're entitled to pay it back at a faster rate, if you wish.

This means that if you're thinking of using the HBP program to make a down payment on a property within the next few years, the best strategy would be to maximize your RRSP, so you could also benefit from the tax reduction for the current year.

<sup>1</sup> Calculation based on a diversified portfolio with an effective rate of 6.5% compounded annually.

## HBP WITHOUT AN RRSP?

The Home Buyers' Plan is a very flexible program: even if you haven't contributed to an RRSP but you have some money put aside, it's possible to take advantage of the HBP. Here's how:

- Get an RRSP loan from your Desjardins caisse within the limits of your RRSP contribution limit.
- Deposit it in your RRSP for at least 90 days.
- Withdraw this non-taxable amount from your RRSP and pay off your loan at your caisse.
- Use your income tax refund as a down payment to acquire your home.
- In two years, start to pay back your RRSP. Remember, you have 15 years to pay it off completely. And once you can afford it, contribute more to increase your RRSP so you can take that dream retirement.

Here's an example: Melanie and David have both been working for a few years and their taxable income is \$45,000 each. They have a large amount of unused RRSP contributions because they have never contributed to an RRSP. They plan to buy a \$100,000 condo and they have \$5,000 to put down, so they decide to borrow to take advantage of the HBP program.

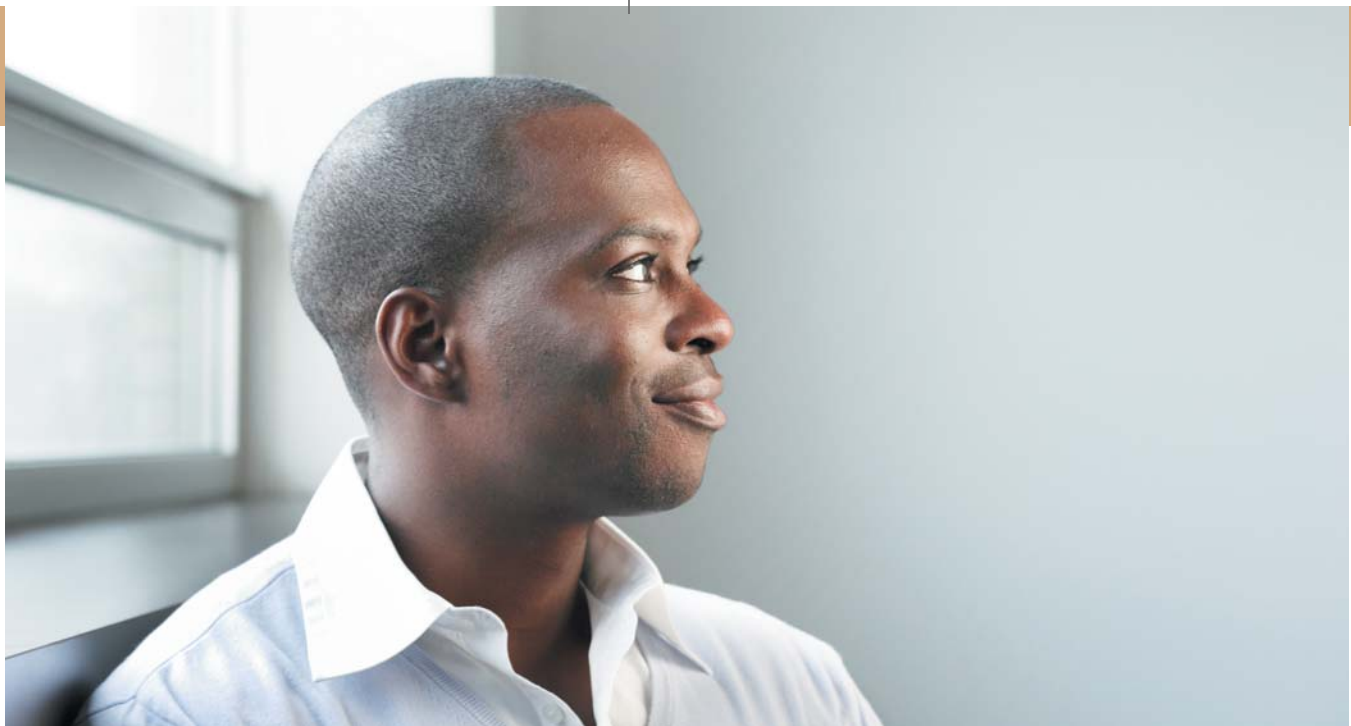
	QUÉBEC		ONTARIO	
	Mélanie	David	Mélanie	David
Unused contribution room RRSP loan	\$20,000	\$20,000	\$20,000	\$20,000
Income tax refund <sup>2</sup>	\$6,400	\$6,400	\$5,000	\$5,000

After 90 days, Melanie and David pay off their RRSP loan by withdrawing their RRSP investment and applying it to the loan. Three weeks after filing their income tax returns by Internet, they receive their income tax refunds, which they add to the down payment on their property.

	QUÉBEC	ONTARIO
Total cost of the property	\$100,000	\$100,000
Savings accumulated for the down payment	\$5,000	\$5,000
Income tax refunds applied to the down payment	\$12,800	\$10,000
Total down payment	\$17,800	\$15,000
Mortgage	\$82,200	\$85,000

Melanie and David have turned their dream into reality for much less than had they signed a \$95,000 mortgage; thanks to the HBP, they've borrowed a lot less money... so their mortgage payments are going to be a lot less, too! In two years, they will have to start paying back at least \$1,333 per year to their RRSP. Since they know the value of a comfortable retirement, they'll be making regular instalments of more than the minimum required, in order to optimize their RRSP.

<sup>2</sup> Income tax refund amount rounded off for illustration purposes.



## WHY WOULD I INVEST IN AN RRSP? I HAVE A PENSION FUND!

Not very many companies offer pension funds to their employees, but when they do, it's even rarer that the funds cover all your RRSP contributions. Of course, it's a good start...

Nevertheless, find out the conditions of the pension fund. Are you planning to work for the same employer until you retire? If so, what would your retirement income from these funds be? At what age could you stop working and what penalties would you pay if you were to retire early? The answers to these questions will help you evaluate whether your income from this source would be enough to satisfy your retirement needs. If not, don't give up on your retirement dreams: talk about them with your Desjardins advisor.

Do you plan to stay in your current job for a long time? Your bonuses, vacation pay, retirement allowance, etc. from your employer could be paid directly into your RRSP, with no deductions at source, if your unused RRSP contributions allow it.

Are you planning to work for a different employer? You can always transfer your retirement plan to a Locked-in Retirement Account (LIRA) or a Locked-in RRSP at your Desjardins caisse, depending on the conditions of your employer's plan.

In order to back you up in all these situations, your advisor at your caisse will help you obtain an overview of your financial situation and establish your strategy, so you can profit from the many advantages of a Desjardins RRSP.

## HOUSE – WORK – FAMILY – ENTERTAINMENT... WHO HAS ROOM FOR RRSPs?

Is your life overflowing with activities? Despite your many family obligations, it pays to keep your retirement in mind. And to do that, your RRSP is the best savings instrument, especially with so many demands on your dollar.

To maintain your present lifestyle, you would need around 70% of the gross income of the last few years before retirement. Remember that retirement nowadays often lasts almost as long as our working life – sometimes even thirty years: which is worth serious consideration.

You're really healthy, you do lots of sports and you're careful about what you eat? Excellent! That will definitely influence your quality of life when you retire. Since your retirement will be "full-time leisure", it's important to maintain your savings efforts, even when you seem to be tight on money, so you can make the best of life now... and later!

Contributing to an RRSP opens the door to simple and lucrative financial strategies. For example, kill two birds with one stone: fill up your RRSP and pay back a part of your loans – such as your mortgage or car loan – when you get your income tax refund!

## COUNTING ON THE GOVERNMENT? IS THAT REALISTIC?

For most taxpayers, government retirement plans will cover less than half of their retirement needs.

Don't believe it? See for yourself...

Frank is a 40-year-old who has never contributed to an RRSP. He works for a private company; his gross annual income is \$50,000; and he's convinced that when he hits 65, his government annuities will be enough for a comfortable retirement.

To maintain his lifestyle, he'll need at least \$35,000 per year, which is 70% of his current gross income.

In today's dollars, the government annuities to which he's entitled will only pay him \$16,000 a year! Bye-bye beautiful retirement projects... in order to meet his financial needs, he will need \$19,000 a year from personal savings – some 120% of the amount he's getting from the government. Someone's going to be in for a very unpleasant surprise unless those RRSP contributions are made!

To find out how much you'll need when you retire, your Desjardins advisor can prepare a *financial retirement analysis* for you. Your advisor will use a structured system (see pages 4 to 6 of this document) to establish an investment strategy that meets your goals. You will then have a detailed plan of action that, when followed, will lead you straight to your dream retirement.

## MAKE UP FOR LOST TIME – TAKE ADVANTAGE OF YOUR UNUSED RRSP CONTRIBUTIONS

In order to guarantee yourself a financially satisfactory situation during the longest vacation of your life, maximize your unused RRSP contributions right away. If you don't have the cash required, start making regular instalments, and you'll see, you'll soon catch up on your unused contribution room.

Borrowing could also be a profitable method that doesn't unbalance your budget. Let's see what Carol did, and compare the real cost of her loan to the projected future value of her portfolio.

Carol has worked for many years and her taxable income is \$55,000. She makes pension payments but has not regularly contributed to an RRSP, so she has \$15,000 in unused contributions. Moreover, she has just paid off her car loan and has no other debt. She decides it's time to profit from her unused RRSP contributions. Her clever strategy: use her entire income tax refund to pay off her loan and decrease her payments.

	QUÉBEC	ONTARIO
Taxable income	\$55,000	\$55,000
Unused contribution payments	\$15,000	\$15,000
Income tax savings	\$5,756	\$4,673
Unused contribution room RRSP loan	\$15,000	\$15,000
Weekly interest (paid for eight weeks) <sup>1</sup>	\$27.12	\$27.12
Income tax savings applied to the loan	\$5,756	\$4,673
Balance: Unused contribution room RRSP	\$9,244	\$10,329
Weekly payments	\$44.49	\$49.71
Number of payments	252	252
Actual cost of loan	\$11,211.48	\$12,526.92

So the payments Carol has to work into her budget are not even \$50 a week. Notice how Carol's catch-up contribution method will lead to substantial growth over the years.

VALUE OF A \$15,000 RRSP CONTRIBUTION <sup>2</sup> IN:	
5 years	\$20,551
10 years	\$28,157
15 years	\$38,578
20 years	\$52,855
25 years	\$72,415



After 25 years, the RRSP contributions Carol finally uses will be worth about seven times as much as her total cost of borrowing. Now that's a worthwhile investment!

<sup>1</sup> At an 8.25% rate for a 60-month term.

<sup>2</sup> Calculation based on a diversified portfolio with an effective rate of 6.5% compounded annually.



## DOES A RETURN TO SCHOOL SOUND COOL?

Would you like to return to school full-time? Find out more about a subject you love? Under the Lifelong Learning Plan (LP), you can withdraw up to \$10,000 per year tax-free (for a total of \$20,000) from your RRSP, to finance your – or your spouse's – return to school. You then have 10 years to pay back the withdrawn funds. If that's your dream, maximize your RRSP contributions now to take full advantage of income tax savings.

## TIPS FOR SPOUSES TO SAVE ON INCOME TAXES

If your legal or common-law spouse has less income than you during retirement, it could be a real advantage to contribute to your spouse's RRSP. The contributions would be established based on your own income and you would profit from the tax deductions. That way you would both have retirement income and minimize the couple's tax exposure.<sup>3</sup> Why? Because it's an effective way to split retirement income. The couple would pay less income tax, because the tax rate would be lower than if the couple's revenue were taxed as though earned by only one of the spouses. What's more, in certain cases this strategy helps you avoid partially or totally refunding the Old Age Security Pension once you're 65.

Contributing to your spouse's RRSP may even be advantageous despite new measures regarding retirement income splitting. There are several elements to consider in making this decision. It is therefore important to consult with an advisor on this matter.

Another option: if you have RRSPs and unused RRSP contributions you'd never otherwise use, you can withdraw an amount corresponding to this unused contribution room and pay it into your spouse's RRSP, without paying more income tax. It's another way to split income between spouses in preparation for your retirement, so you're minimizing your tax bill.

To avoid having your RRSP decimated by income tax the year of your death, leave it to your spouse rather than any other heir. Whether you are in a civil union, married or living common-law, don't forget to draw up a will so this wish is legally registered.

<sup>3</sup> Certain conditions apply at withdrawal. Any contribution paid into a spouse's RRSP becomes their property.

## THE RETIREMENT DREAM GETS CLOSER

Is your RRSP growing? Has your financial situation changed? In order to keep time on your side, your advisor can:

- adapt your investment strategy,
- refine your portfolio diversification, and
- propose ways to lower your income tax burden.

If you have unused RRSP contributions, this is your last chance to take advantage of them in order to quickly increase your family inheritance. There is a good example of this on page 12. Your contribution will also lead to a substantial income tax refund that you could use to repay your debts, if any. And if your RRSP is already topped up, your advisor could propose other Desjardins solutions to suit your profile, such as using your Investor STRATEGIC Line of Credit in order to increase your assets. If you haven't yet benefited from your Desjardins advisor's expertise in drawing up a *financial retirement analysis*, have it done right away. On pages 4 and 5 of this leaflet, you can see an example of what one looks like.

You can count on your advisor at any time. Our advisors are there for you and ready to make their extensive knowledge available to help you attain your objectives, by applying advice tailored to your specific situation.

## EXCESS CONTRIBUTIONS PAY OFF

Once you've topped up your RRSP, you're allowed to contribute another \$2,000 without tax penalty, as long as you can deduct them in the future. Even though such a contribution would not be deductible from your current taxable income, it would be sheltered from income tax as it grew. See below for how \$2,000 extra in your retirement portfolio appreciates over time.

VALUE OF A \$2,000 EXCESS RRSP CONTRIBUTION <sup>1</sup>	
After 10 years	\$3,754
After 20 years	\$7,074
After 30 years	\$13,229

Two people could accumulate \$26,458 more, and really enjoy their longest vacation!

## THE RIGHT PRODUCTS AT THE RIGHT TIME MAKE TAX SENSE

Certain investment products are taxed more than others. Within an RRSP, this makes no difference because everything inside the plan grows without being taxed. However if you maximized your RRSP and have investments outside your RRSP that you want to use for your retirement, you can adopt a strategy that would minimize their tax exposure.

The most heavily taxed investments are those that generate interest income, such as term savings (including market-linked guaranteed investments), strip coupons and bonds, all of which are subject to your marginal tax rate, which is based on your total income.

The next highest taxed are dividend-bearing securities, such as certain investment funds, preferred shares and some common shares.

Common shares and most investment funds can give rise to capital gains. These products are taxed at the lowest rate: half the rate of interest income.

<sup>1</sup> Calculation based on a diversified portfolio with an effective rate of 6.5% compounded annually.



Any well-diversified portfolio contains more than one category of products. That's why your advisor carefully considers all your retirement investments and helps you create income tax savings by deciding which investments to include in your RRSP portfolio and which to exclude. Here is an example to clarify the distinction:

AFTER-TAX VALUE* OF \$1,000 IN INVESTMENT INCOME, DEPENDING ON ITS SOURCE		
	Québec	Ontario
Interest	\$518	\$536
Dividends	\$703	\$761
Capital gains	\$759	\$768

As you can see, it's better to place products that generate interest income in your RRSP and products that generate capital gains outside your RRSP.

#### EVEN ONCE YOU'RE RETIRED, YOU CAN CONTRIBUTE TO YOUR RRSP TO REDUCE YOUR INCOME TAXES!

You can contribute to your RRSP until the end of the year you turn 71 and to your spouse's RRSP until the end of the year he or she turns 71 if you still have unused RRSP contributions. You continue to accumulate these unused contributions if you declare business or rental income, for example.

Even when you're retired, there are tax advantages to investing in your RRSP because you're postponing yet again the income tax payable on these amounts. An excellent way to save on taxes and build the retirement you deserve.

## YOUR ADVISOR: DESJARDINS EXPERTISE AT YOUR SERVICE

Whether you're a few years or a few months from retirement, you can benefit from your Desjardins advisor's expertise and tools to help you zoom in on your objectives, and find ways to achieve them. Your advisor will take into account your investor profile, investment outlook, retirement income sources, return on your portfolio and the inflation rate.

\* Calculated at the maximum marginal rate in 2008.

## REGULAR INSTALMENTS FOR DESJARDINS RRSP INVESTMENT SOLUTIONS

The easiest and handiest way to build your RRSP is to save by regular instalments. That way your contributions are an integral part of your budget, so managing them is easier, and you're contributing at your own pace.

You just have to decide on the amount and frequency of your contributions. Everything else is done automatically.

At Desjardins, we offer you innovative regular contribution solutions for your RRSP:

### REGULAR INSTALMENT RRSP

This method allows you to invest in your RRSP regularly, with no predetermined period. You can increase or reduce your contributions, as your income fluctuates. Funds accumulate in regular savings and can then be reinvested in another type of investment.

### REGULAR DEPOSIT TERM SAVINGS

By depositing in this type of investment, you have the benefit of the higher term-savings interest rate. You decide on the amount you want to put aside and the length of time you want to make RRSP contributions: from 1- to 5-year terms.

### DESJARDINS FUNDS<sup>1</sup>

The enormous array of Desjardins Funds is accessible by regular instalments of as little as \$25 per contribution\*.

The Diapason and Chorus Portfolios make it easy to benefit from the evolution of all markets in a single investment. This turnkey approach ensures the optimal diversification of your assets in keeping with your investor profile. It gives you access to many Desjardins Funds, selected to complement your portfolio and satisfy your needs.

They propose a variety of diversified portfolios corresponding to the various investor profiles. Every quarter each portfolio is rebalanced if need be, to limit fluctuations and maximize return potential.

Often, diversification means purchasing many products, which can be tiresome. The Diapason and Chorus Portfolios are the perfect solution: a single transaction that guarantees you healthy diversification!

Some of our Diapason and Chorus Portfolios even help you meet your income needs, whatever they may be!

### GROUP RRSPs

This savings method, which some employers offer, allows employees to contribute to their RRSP through deductions at source. The employee benefits from immediate tax returns and retains management of his or her own assets, with the possibility of investing in a full range of investments, aided by a caisse advisor. If this method interests you, contact your employer.

<sup>1</sup> Desjardins Funds are offered by the mutual fund representatives of Desjardins Financial Services Firm Inc., a Desjardins Group company. The Desjardins Funds are not guaranteed, their value fluctuates frequently and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments and the use of an asset distribution service. Please read the simplified prospectus before investing.

\* Certain conditions apply.

## DESJARDINS RRSP CASH INVESTMENT SOLUTIONS

You have cash on hand that you'd like to pay into your RRSP? Your advisor can recommend investing in one of our high-performance products that's perfect for your investor profile.

### REGULAR SAVINGS

Regular savings are especially useful if you want to make your RRSP contributions quickly, perhaps investing in another investment product subsequently. It's particularly valuable for the very short-term portion of your portfolio.

### TERM SAVINGS

Regular term savings yield a higher, guaranteed interest rate throughout the term, which may vary from 30 days to 10 years, as you choose.

Rate-raiser term savings allow you to profit from a guaranteed investment with higher returns from one year to the next. Upon maturity, you can convert it to another Desjardins savings product. That way, you're free to take advantage of unforeseen opportunities the market may provide.

With diversified term savings, you can invest a given amount in a term certificate of deposit that is divided into separate amounts, each of which carries a different interest rate and term. On maturity, each amount is renewable for a three-, four- or five-year term, depending on the number of packages you originally selected and the applicable rate for the given term. In this way, you're protected from interest rate fluctuations and you benefit from a higher average rate of return.

If your caisse's financial situation permits it, the caisse may also pay you a member dividends, or dividend on your investment interest.

### MARKET-LINKED GUARANTEED INVESTMENTS

Market-linked guaranteed investments are doubly advantageous: they offer both a **100% guarantee on capital**, and a **higher potential return**<sup>2</sup>. Plus, member dividends paid by your caisse apply to them, and there are no administration fees. Market-linked guaranteed investments provide several options to improve the diversification of your portfolio. Here are a few examples:

OPTION	CHARACTERISTICS AND ADVANTAGES
Desjardins Enhanced Return Guaranteed Investment	<ul style="list-style-type: none"> <li>Objective: Generate an attractive return, potentially higher than the return on an equivalent term deposit, while offering a guaranteed minimum return</li> <li>Two options:               <ul style="list-style-type: none"> <li>- Return potential based on the performance of a basket of eight securities from the Canadian financial services sector</li> <li>OR</li> <li>- Return potential based on the performance of a basket of 10 securities from large international consumer product companies.</li> </ul> </li> </ul>
Desjardins Global Equity Guaranteed Investment	<ul style="list-style-type: none"> <li>Objective: Generate a return based on the performance of a diversified basket of global securities</li> <li>Return potential based on geographic diversification in a single investment</li> </ul>
Desjardins Stock Market-Indexed Guaranteed Investment	<ul style="list-style-type: none"> <li>Objective: To profit from the performance of a Canadian index or foreign indices.</li> <li>Return based on the evolution of one or several stock indices.</li> </ul>

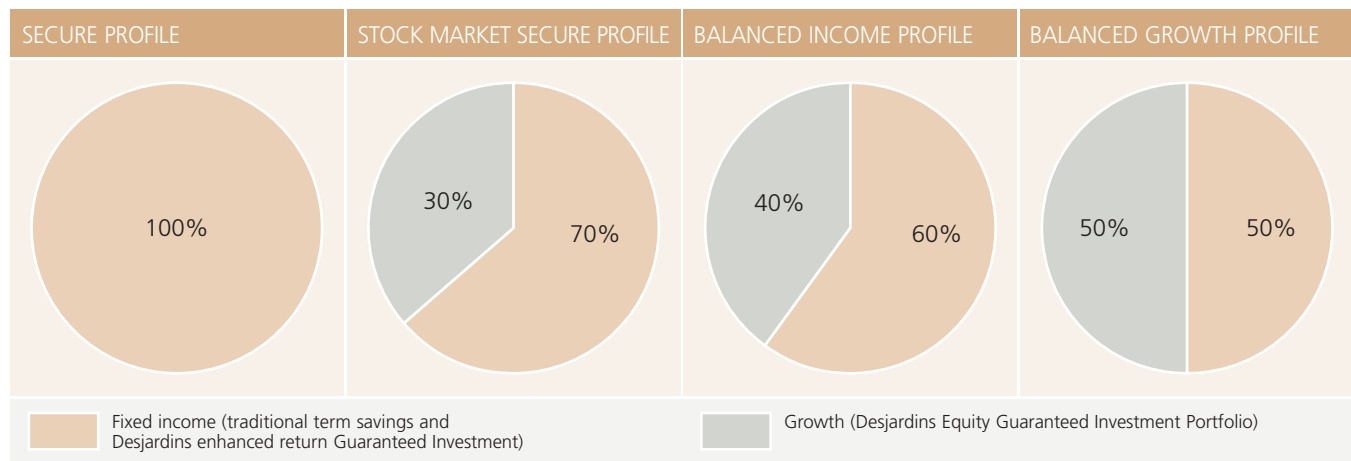
<sup>2</sup> Market-linked guaranteed investments may not yield any return. Capital is always guaranteed at maturity.



### DESJARDINS PROFILE GUARANTEED INVESTMENT PORTFOLIO

Desjardins Profile Guaranteed Investment Portfolio is a savings formula that gives you access to a varied range of products in a single investment. The Profile Guaranteed Investment Portfolio comprises traditional term savings and market-linked guaranteed investments, and is adapted to your investor profile. It provides a healthy portfolio diversification while guaranteeing your capital and a minimum return.

Four options are offered.



## DESJARDINS FUNDS<sup>1</sup>

When you invest in an investment fund, you're trusting your money to professionals who place it with the money of other people who share the same financial goals as you. This grouping of resources gives you access to securities it would be difficult to buy alone, and that usually provides access to better conditions.

Desjardins Funds comprise an array of products carefully chosen to fit your investor profile and meet your financial needs. They provide a choice in each asset category: balanced funds; income funds; specialized funds; Canadian, US, world and International equity funds. Desjardins Funds also provide access to a variety of managers and management styles thanks to partnerships with reputed portfolio managers and investment companies. No Desjardins Funds carry front-end loads or back-end loads. And to diversify your portfolio with a single transaction, we offer you these practical solutions: the Diapason and Chorus Portfolios.

## OTHER FUNDS<sup>1</sup>

Through your caisse, you can access a full range of investment funds held by reputable funds management companies, so you profit from portfolio management specialists with a proven track record.

## THE HELIOS CONTRACT<sup>2</sup>

The Helios Contract offers:

- A choice of three distinct guarantees: Guarantee 75/75, Guarantee 75/100i<sup>3</sup> and Guarantee 100/100r<sup>4</sup>
- Protection against market downturns and increases to reflect upturns
- A guaranteed and predictable retirement income regardless of market fluctuations
- A choice of diversified investment funds with turnkey solutions adapted to your needs

<sup>1</sup> Investment Funds are offered by the mutual fund representatives of Desjardins Financial Services Firm Inc., a Desjardins Group company. Investment Funds are not guaranteed, their value fluctuates frequently and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments and use of an asset allocation service. Please read the simplified prospectus before investing.

<sup>2</sup> The Helios Contract is offered by Desjardins Financial Security, through one of its financial security advisors and will not be in the "caisse intégrée" statement. The Desjardins Financial Security Guaranteed Investment Funds are established by Desjardins Financial Security Life Assurance Company.

<sup>3</sup> The Guarantee 75/100i (i = inflation protection) offers you protection against cost of living increases by adjusting the value of your deposits to the Consumer Price Index when paid out to your loved ones.

<sup>4</sup> With the Guarantee 100/100r (r = reimbursement of fees), every 10 years after making a deposit, you will be reimbursed a portion of the fees paid for this guarantee, if the market value is equal or greater than the guaranteed value of your investments.

## SECURITIES BROKERAGE

Some investors are looking for a self-directed RRSP<sup>1</sup>, which is a retirement savings plan that would offer them a choice from a vast range of investment instruments from money markets (such as commercial paper and bankers' acceptances), bond markets (corporate and sovereign bonds) and stock markets (mainly Canadian, US and foreign shares). For this, we have two solutions:

- **Full-service brokerage**

**Are you looking for sound advice about securities?**

Desjardins Securities' full-service brokerage is what you need. It's a personalized investment service that allows the investor to make stock market transactions with a seasoned professional who's fully informed on market conditions and supported by a recognized research service. A Desjardins Securities advisor's role is, firstly, to determine your financial objectives with you, while considering your financial situation. Subsequently, your advisor will guide you in choosing the appropriate investment accounts for your needs and propose a personalized investment and asset distribution strategy that fits your financial goals and investor profile.

Your advisor is fully cognizant of the relevant financial and economic events and trends, so he or she is ideally placed to watch over your accounts and ensure they're growing in harmony with your personal situation.

- **Online brokerage**

**Are you an experienced investor? Think Disnat.**

If you have the experience and knowledge to manage your own portfolio, Disnat online brokerage is made for you.

Disnat online brokerage, a division of Desjardins Securities, provides access to the North American market via powerful transactional tools, and ensures rapid and effective Internet or telephone transactions. To negotiate your own stocks, remember this address: [www.disnat.com](http://www.disnat.com).

Are you an active investor looking for a cutting-edge trading platform? DisnatDirect proffers one of the best direct-access, real-time brokerage services in Canada, both in terms of technology and personalized services. Visit [www.disnatdirect.com](http://www.disnatdirect.com).

<sup>1</sup> The self-directed RRSP, which is offered by Desjardins caisses through Desjardins Securities, provides a full range of investment choices (including shares, strip coupons options\*, trust units and investment funds\*\*). It is administered by Desjardins Securities and Disnat Online Brokerage division; Desjardins Trust is the trustee. Guaranteed investment certificates are insured in Québec by the Autorité des marchés financiers, and in Ontario by the Ontario Deposit Insurance Corporation; bonds and government strip coupons are guaranteed 100% upon maturity by the issuer. Desjardins Securities is a member of the Canadian Investor Protection Fund.

\* Investors should review the document that describes the risks inherent in negotiating options. Options are not suitable for all type of investors. Please read the prospectus before investing.

\*\* Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus before investing.

## DESJARDINS RRSP FINANCING SOLUTIONS\*

Are you thinking that skipping your RRSP contributions this year won't really affect your retirement? Think again. When you don't contribute to your RRSP for even only one year, you could be depriving yourself of a lot of money when you retire. For example:

A CONTRIBUTION OF \$4,000 PER YEAR FOR 30 YEARS	A CONTRIBUTION OF \$4,000 PER YEAR FOR 30 YEARS, EXCEPT FOR THE SECOND YEAR
\$367,957	\$343,363
Difference: \$24,594 <sup>2</sup>	

Therefore, if you're short of cash, rather than failing to contribute to your RRSP, it would be smarter to look for financing solutions, such as:

### ACCORD D RRSP FINANCING<sup>3</sup>

In just a few minutes<sup>4</sup>, you can obtain financing for your annual contribution or for your unused contribution room.

Accord D RRSP Financing can be advantageous in comparison with an RRSP loan. It is actually a second credit limit on your VISA Desjardins card that is separate from the limit granted for your daily transactions. The interest rate on Accord D RRSP Financing is also different from the one applied to your daily VISA Desjardins card transactions.

#### Advantages

- Interest rate as low as that of an RRSP loan offered by your Desjardins caisse
- Financing application processed in less than 15 minutes<sup>4</sup>
- An application can be made on AccesD Internet at any time, with automatic deposit of funds into your RRSP RS account
- Possibility of benefiting from a 6-month grace period before repaying your financing capital.
- Equal payments over a period of 12 to 60 months, depending on the amount financed, which are included in the minimum monthly payment on your VISA Desjardins card
- Life and disability insurance coverage automatically included for principal account holder only<sup>5</sup>. No other form of financing offers this advantage!
- No penalty for partial or full reimbursement at any time before maturity. Ideal for when you receive your income tax refund!

For more information visit [desjardins.com/accordD](http://desjardins.com/accordD).

Take advantage with Accord D!

\* Borrowing to invest has a leveraging effect. If the loan product is invested in an investment fund, the leveraging effect entails a greater risk. Consult your mutual fund representative for more information on this subject.

<sup>2</sup> Calculation based on a diversified portfolio with an effective rate of 6.5% compounded annually.

<sup>3</sup> Subject to approval from the Desjardins Card Services credit department.

<sup>4</sup> During Desjardins Card Services business hours.

<sup>5</sup> Insurance coverage is held with Desjardins Financial Security, a life insurance company. Only the insurance policy sent with the transactions statement from Accord D to the caisse can be used to settle legal issues. Certain conditions and restrictions apply.



### THE RRSP LOAN<sup>1</sup>

When you take advantage of the Desjardins RRSP loan, you benefit from a better rate than with a personal loan. If you receive your income tax return quickly and use it to reduce the loan, this could be an even better deal.

Once you've paid back your loan, opt for regular instalments to your RRSP so you can contribute all year long. Over the long term, this is the most profitable arrangement.

### THE UNUSED CONTRIBUTION ROOM RRSP LOAN<sup>1</sup>

The Unused contribution room RRSP loan allows you to borrow at an advantageous rate. You can repay it over a period of up to 10 years, depending on the amount borrowed.

Taking advantage of your unused RRSP contributions would provide you with a substantial income tax refund and, above all, increase the value of your retirement portfolio.

### THE MULTIPROJECT OPTION<sup>1</sup>

With the Multiproject Option, you can re-borrow money you've repaid on your mortgage. An intelligent way to top up your RRSP.

### THE VERSATILE LINE OF CREDIT<sup>1</sup>

Desjardins' Versatile Line of Credit is a financing option that allows homeowners to use their property's net worth<sup>2</sup> to make their dreams come true. Whether you use it to renovate your house, purchase a secondary residence or to contribute to an RRSP, the Versatile Line of Credit is the ideal financial leverage for homeowners who wish to take advantage of their home's appreciation.

### PROTECT YOUR ABILITY TO PAY BACK YOUR RRSP

It's important to protect your ability to pay back your RRSP loan in the event of an unexpected misfortune. If you've chosen to finance your RRSP with a loan or a line of credit, don't forget to get loan insurance or line-of-credit insurance. With that protection, you can keep making your payments even if an accident or illness prevents you from working. Furthermore, you can avoid your loved ones being obligated to pay back your loan in the event of death.

Protecting your RRSP loans is a way to shield yourself against unexpected events that could jeopardise your retirement projects.

<sup>1</sup> Certain conditions apply. Characteristics may change without prior notice.

<sup>2</sup> Net market value of your property.

# DESJARDINS COVERAGE SOLUTIONS AND RETIREMENT SECURITY

## DESJARDINS COVERAGE SOLUTIONS AND RETIREMENT SECURITY

Did you know that an accident or sickness could prevent you from making your RRSP-loan payments and perhaps even force you to spend money saved in your RRSP? Did you know that almost half of the amount invested in your RRSP could go to income taxes after your death?

Speak to an advisor or financial planner<sup>3</sup> at your caisse, who can recommend a meeting with a financial security advisor<sup>4</sup>. This specialist will propose an insurance solution that comprises a range of life, health and disability insurance solutions adapted to your needs, in order to protect your investment against the unexpected.

## PROTECT YOUR ABILITY TO REIMBURSE YOUR RRSP LOAN

If you've chosen to finance your RRSP loan with a loan or a line of credit, don't forget to get loan insurance or line-of-credit insurance so your payments can still be made, despite disability or death.

## RETIREMENT SECURITY STARTS WITH YOUR MONEY'S SECURITY

Depending on the province in which your caisse is situated, deposits in each caisse are guaranteed\* by either the *Autorité des marchés financiers*, or the Ontario Deposit Insurance Corporation, within the established parameters.

In Québec, before having recourse to the protection of the *Autorité des marchés financiers*, each caisse is protected by the *Fonds de sécurité Desjardins*, the role of which is to ensure the solvency of each caisse. If necessary, this organisation covers the deficit a caisse may be unable to. As at July 31, 2008, this fund comprised \$600 million to secure daily caisse operations.

<sup>3</sup> The financial planner represents Desjardins Financial Services Firm Inc.

<sup>4</sup> An employee of Desjardins Financial Security, Financial Services Firm. In Ontario, this specialist is called a "life and health insurance agent".

\* This guarantee does not apply to sums invested in mutual funds or other investment – such as shares, corporate bonds or treasury bonds – whose value and yield may vary depending on the trends in the securities market.

## RRSP INFORMATION SOURCES

REMEMBER THIS ADDRESS: [www.desjardins.com/rrsp](http://www.desjardins.com/rrsp)

Our Web site is a bountiful source of RRSP information to help you plan your retirement. We encourage you to visit it often in order to keep up on the latest.

In the retirement section, when you click on “Flash Retirement Québec”, you’ll be directed to a site with more than 50 write-ups with preparing financially for retirement. Desjardins was actively involved in creating these informative articles in collaboration with the Québec *Régie des rentes* and other financial institutions.

### ACCÈSD INTERNET, TO WATCH YOUR PORTFOLIO GROW

In AccèsD Internet, the “Savings and Investments” tab will take you to your term savings and market-linked guaranteed investment statements as well as the market value of your stocks and investment funds, inside and outside your RRSP. With this handy tool, you can follow the evolution of your portfolio 24/7, all over the world.

### CONTRIBUTING TO YOUR RRSP, WHEREVER AND WHENEVER YOU WANT

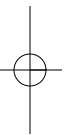
Of course, you can contribute to your RRSP by telephoning or going to your caisse. You can also contribute online at [www.desjardins.com/rrsp](http://www.desjardins.com/rrsp) or by calling 1-800-CAISSES.

### JUST A FEW CLICKS TO CONTRIBUTE ONLINE!

You can contribute to several RRSP products via AccèsD Internet.

- 1- Go to [desjardins.com](http://desjardins.com), then AccèsD.
- 2- Choose the “Savings and investment” tab.
- 3- Click on “RRSP investments”.
- 4- Select your product, the term, the amount and validate.

**AccèsD Internet** an excellent way to make your life easier!



100% Recycled FIBER ONLY  
Cert. no. XXX-XXX-XXXX  
© 1996 FSC

This document was printed on Cascades Rolland Enviro 100 paper.



However you get hold of us, you're going to find Desjardins staff everywhere to be highly competent, attentive and helpful people.

[desjardins.com/rrsp](http://desjardins.com/rrsp)  
1-800-CAISSES



Money working for people