

RRSPs AND TFSAs CAN GIVE YOU THE MEANS TO ACHIEVE YOUR DREAMS

RRSP: The registered retirement savings plan is an excellent financial tool that grows along with you for the better part of your life. Many people begin making contributions to their RRSP after starting their first job and hold on to their RRSP until the time comes to convert it into retirement income.

The RRSP has two key advantages: it provides you with annual tax savings and it allows your investment income to grow, tax-sheltered.

TFSAs: The tax-free savings account is an additional financial tool for your overall investment strategy. You can begin making contributions to your TFSA when you turn 18 and you can continue to do so throughout your life.

The TFSA also has two key advantages: it gives you a way to grow your savings tax-free while planning your projects and any money you accumulate in or withdraw from your TFSA is non-taxable.

You can use this brochure to help you determine which of these two plans will best suit your needs or you can contact your caisse advisor or financial planner.¹

¹ Financial planners and mutual fund representatives work for Desjardins Financial Services Firm Inc.

THE TFSA AND THE RRSP: COMPLEMENTARY PLANS

Both plans allow you to grow your investments tax-free. From a tax perspective, one plan may be more beneficial than the other, or a combination of the two may be best – it all depends on your personal situation. If you've maxed out your RRSP contribution room and still have extra cash on hand, the TFSA is the way to go.

The table below provides a comparison of the main features of the two plans.

	RRSP	TFSA
Start of contributions	As soon as you've earned a qualified income in the year prior to the contribution, up to the year of your 71st birthday	18 years of age or older
Contribution room	18% of income earned in the previous year, up to a maximum of \$22,450 for 2011 and \$22,970 for 2012, less the previous year's pension adjustment if you have a pension plan with your employer	Maximum of \$5,000 per year since 2009 for everyone
Unused contribution room	The cumulative unused portion of your maximum amount for each year since 1991	The cumulative unused portion of your maximum amount for each year since 2009. Amounts withdrawn during a given year are added to the next year's contribution room.
Excess contributions	Maximum of \$2,000 more than the annual contribution limit	Not permitted
Tax-deductible contributions	Yes	No
Contribution deadline	Between January 1 and December 31 of the current year + the first 60 days of the following year	From January 1 to December 31 of the current year
Investment income	Non-taxable	Non-taxable
Withdrawals	Taxable	Non-taxable: amounts withdrawn will be added on to the contribution room for the following year
End of plan	The first of the following: December 31 of the year of your 71st birthday or upon death	Upon death

MEMBER DIVIDENDS

Your Desjardins caisse is the only financial institution that offers the possibility of obtaining member dividends on the savings in your RRSP and your TFSA. If your cooperative's financial results allow it, and if the members vote in favour of it in the General Meeting, the caisse will pay you member dividends.⁸

On top of that, by participating in your caisse's Surplus Shares program, you could increase your member dividends by up to 30%.⁹ To find out more, visit desjardins.com/dividends.

THE BONUSDOLLARS REWARDS PROGRAM

If you have a VISA Desjardins card, you can use your BONUSDOLLARS to contribute to your RRSP.

HOW DO I MAKE MY RRSP AND TFSA CONTRIBUTIONS?

- Log on to AccèsD Internet.
 1. Go to Desjardins.com and log on to AccèsD.
 2. Choose the "Savings and investments" tab.
 3. Click on "RRSP investments" or "TFSA investments".
 4. Select your product, the term, the amount and confirm your choices.
- Call 1-800-CAISSES.
- Contact your caisse advisor.

⁸ Due to provincial legislation, certain member dividend payment conditions may differ in Ontario. Please contact your caisse for more information.

⁹ The increase may change. If it does, participating members will be notified.



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desjardins.com/RrspTfsa
1-800-CAISSES

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RRSPs AND TFSAs



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GET AN EARLY START ON CONTRIBUTIONS

When it comes to RRSPs and TFSAs, the earlier you start saving, the more your investment will grow, making saving a breeze. By investing early, compound interest can work in your favour over a longer period of time.

With automatic deposits, making your contributions has never been easier. You choose how much and how often you want to invest in your RRSP or TFSA. Whether you choose to invest every week, every two weeks or every month, you'll be adopting good habits that make saving a piece of cake. Just take a look at the results below!

\$50 WEEKLY CONTRIBUTION UP TO AGE 65			
Contributions starting at age:	20	Amount accumulated ²	\$569,857
	25		\$414,550
	30		\$298,494
	35		\$211,770
	40		\$146,964

A DIFFERENCE OF MORE THAN \$500,000 IF YOU START ONLY AT AGE 40

²Based on a 6.0% annual compounded rate of return and a diversified portfolio.



MAKING YOUR DREAMS A REALITY

Not sure whether to choose an RRSP or a TFSA? Wondering which option is best to save for your dreams? The following table outlines the advantages of each of the solutions.

PROJECT	RRSP ADVANTAGES	TFSA ADVANTAGES
RETIREMENT	Tax savings in the year the contribution is made Investment income grows tax-sheltered until withdrawn A lower tax rate applies to RRSP withdrawals when your taxable income is lower	Investment income grows tax-free Withdrawals are tax exempt
BUYING YOUR FIRST HOME	Option of withdrawing up to \$25,000 from your RRSP for a down payment through the Home Buyers' Plan (HBP) Tax-free withdrawals You must repay the amount withdrawn over a 15 year period; repayment must begin 2 years after withdrawal Tax-free withdrawals Repayments must be made over a period of 15 years	Option of withdrawing the entire amount from your TFSA You are not required to repay the amounts withdrawn Withdrawals are tax exempt
GOING BACK TO SCHOOL	Option of withdrawing up to \$20,000 from your RRSP through the Lifelong Learning Plan (LLP) Tax-free withdrawals Repayments must be made over a period of 10 years	Withdrawals can be used to meet your financial needs while in school You are not required to repay the amounts withdrawn Withdrawals are tax exempt
TRAVEL, RENOVATIONS, EMERGENCY FUND OR PURCHASING A VEHICLE		Possibility of withdrawing funds from your TFSA without having to pay taxes on the withdrawal
SABBATICAL OR PARENTAL LEAVE	A lower tax rate applies to RRSP withdrawals when your taxable income is lower	Withdrawals are tax exempt: the amounts withdrawn are not added to your income

Your advisor is always available to help you determine the tax strategies that will best help you reach your goals.

WINNING STRATEGIES TO MAXIMIZE YOUR CONTRIBUTIONS

1. USE UP YOUR UNUSED CONTRIBUTION ROOM

If you have not contributed the maximum amount to your RRSP in previous years, you can take advantage of any unused contribution room to increase your tax-sheltered savings. Plus, you'll also get significant tax deductions.

Do you have unused contribution room in your TFSA and money to invest? Go ahead and contribute the maximum. You'll have less income to declare in future years and lower taxes too.

2. TAKE FULL ADVANTAGE OF INCOME-SPLITTING WITH YOUR SPOUSE

If you expect that your spouse (legal or common-law) will have a lower income than you during retirement, it might be wise to contribute to his or her RRSP. You get a tax deduction immediately and, upon retirement, your spouse, who is in a lower tax bracket, will be the one taxed on the withdrawals. This strategy can reduce your taxes as a couple during retirement.³

As for the TFSA, each spouse can contribute to his or her own plan. If your spouse doesn't have the cash necessary to make a contribution, you can give him or her a monetary gift. Your spouse will then be able to maximize his or her TFSA contributions and reduce any investment income to be declared. Once you've retired, TFSA withdrawals have no impact on your right to income-based tax credits or government benefits, such as the Old Age Security (OAS) pension and the Guaranteed Income Supplement (GIS).

³ Certain conditions apply upon withdrawal. Contributions made to a spousal RRSP become the spouse's property.

INVESTMENT PRODUCTS

Because the TFSA and the RRSP are savings plans, you can choose from among our extensive range of investment products.

Desjardins caisses offer a full range of options to meet your needs, your investor profile and your investment horizon.

TYPES OF INVESTMENT PRODUCTS	RRSP	TFSA
Regular Savings Account	X	
TFSA Savings Account		X
Guaranteed fixed-rate investments	X	X
Market-linked guaranteed investments	X	X
Desjardins Funds ⁴	X	X
Other investment funds ⁴	X	X
Guaranteed Investment Funds – Helios Contract ⁵	X	X
Stocks and other securities ⁶	X	X
Desjardins Permanent Shares ⁷	X	
Surplus Shares	X	X

Your advisor can help you get the most out of these two savings plans by determining the strategy that suits you best.

⁴ Desjardins Funds and other investment funds are offered by 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. Investing in a group investment firm and using asset allocation services may incur brokerage fees, trailing commissions, management fees and other expenses. Please read the simplified prospectus, in which the asset allocation service invests, before investing.

⁵ The Helios contract is offered by financial security advisors working for Desjardins Financial Security, Financial Services Firm.

⁶ Sold by a Desjardins Securities investment advisor. Desjardins Securities is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF).

⁷ Permanent shares may be purchased at participating Desjardins caisses in Québec by contacting an authorized representative of Desjardins Financial Services Firm Inc.