



RRSP GUIDE



Desjardins

Cooperating in building the future



04	THE DESJARDINS RRSP: A STEPPING STONE TO YOUR DREAMS
06	MAKING THE MOST OF LIFE... YOUR WHOLE LIFE!
09	CONTRIBUTE TO MY RRSP? EVEN AT JUST 25 YEARS OLD?
14	HOUSE – WORK – FAMILY – ENTERTAINMENT... WHO HAS ROOM FOR RRSPs?
18	WHEN RETIREMENT'S NO LONGER A DISTANT DREAM
20	DESJARDINS AUTO-SAVINGS STRATEGY FOR YOUR RRSP
21	DESJARDINS RRSP CASH INVESTMENT SOLUTIONS
24	DESJARDINS RRSP FINANCING SOLUTIONS
26	DESJARDINS INSURANCE SOLUTIONS AND RETIREMENT SECURITY
27	WHERE TO GO FOR INFORMATION ON DESJARDINS RRSPs AND TFSAs

THE DESJARDINS RRSP: A STEPPING STONE TO 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, there’s no time like the present to start planning! The Desjardins RRSP is the ideal financial tool to fulfil your retirement plans – and some of your other wildest dreams, too!

What exactly is an RRSP?

A registered retirement savings plan, commonly referred to as an RRSP, is a savings tool that helps you invest the money you save over the course of your life to supplement your income during retirement. The main advantage of this government-regulated program is that it allows you to put off paying taxes on your contributions. Every penny you invest in your RRSP is deducted from your annual income, which earns you short-term tax savings, usually in the form of a substantial refund after you’ve filed your 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 out your withdrawals from your RRSP over many years and you only pay income tax on the amount you withdraw. Because your annual income will probably be lower when you’re retired than when you were working, you’ll pay lower taxes. But that’s not all! Retirement isn’t the only use for your RRSP: you can also use it to buy your first home or finance your studies without paying extra taxes as long as you reimburse the amounts withdrawn when required.

Are you wealthy enough to lose thousands of dollars?

Tax savings from RRSP contributions mean extra money in your wallet. A \$5,000 RRSP contribution could actually be worth \$7,000 based on a 40% tax rate! Why? Because the reduction in taxes to be paid on a contribution of that size this year is about \$2,000. That would be quite a nice savings, which could lead to a refund that you could use to invest, pay off your debts or whatever other project you might have in mind. What’s more, because your initial \$5,000 RRSP investment grows without being taxed, it grows more quickly.

VALUE OF A \$5,000 RRSP CONTRIBUTION ¹ IN:	
20 years	\$13,266
30 years	\$21,610
40 years	\$35,200

As you can see, RRSPs have a double advantage. Your annual RRSP contribution is an important step towards making your dreams come true.

Are you earning an income? Then remember to think of the future and pay yourself first. It’s easy to do: just include your RRSP contribution in your budget. That way you maximize the value of your money now while planning for your dream retirement later!

¹ Calculation based on a diversified portfolio with a 5% annual compound rate.



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, your caisse contributes to local and regional economic development. Plus, your Desjardins caisse is the only financial institution to offer the possibility of receiving member dividends on your savings. If the financial results of your cooperative allow it and the members vote in favour of it during the General Meeting, the caisse will pay you a member dividend² that is added to your investment interest.

Surplus Shares program

By registering for the Surplus Shares program² at your Desjardins caisse, you can benefit from the following advantages:

- Your member dividend will increase by 30%.³
- Your shares could generate an annual return equivalent to either 4.25% or the highest rate for five-year Canada bonds, whichever is higher.
- You could get a tax break if you invest your surplus shares in an RRSP.

For more information on the Surplus Shares program, go to desjardins.com/dividends.

Experts at your service

At Desjardins, you'll find a large network of highly qualified financial planners* and advisors. Our lives are marked by important events like getting a promotion, buying a home and welcoming a new baby. To help you plan for the present and the future, there is nothing like the professional advice of Desjardins advisors. Using their advanced expertise, they'll help you achieve your objectives throughout your financial life.

² Due to provincial legislation, certain member dividend payment conditions may differ in Ontario. For more information, please contact your caisse.

³ 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.

MAKING THE MOST OF 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 for the longest vacation of your life as soon as possible by contributing to an RRSP.

Too many people overestimate government benefits at this step of their financial journey. To make the most of life for your whole life, we recommend sitting down with your Desjardins advisor to

- establish your retirement goals
- evaluate your financial situation
- determine your investor profile
- create your investment strategy

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?
- Taking unpaid leave from work?
- Retiring early?

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

Where do you start a good action plan?

Once you know where you're going, you need a clear view of where you're starting from, which means taking stock of your financial situation. Painting a realistic portrait of your finances today allows you to determine the path you need to take to get where you're going tomorrow. Obviously, saving requires a certain degree of self-discipline, which is a lot easier to muster when we know our efforts will be rewarded! To draw up your balance sheet and find out your net worth, call your Desjardins advisor or go to desjardins.com/personalbalance.

Do you know what your investor profile is?

Determining your investor profile is key to determining your investment strategy and, consequently, your financial success. If you haven't already determined your investor profile, you and your advisor can do so by discussing factors like

- your personal and financial situation
- your investment experience
- your tolerance of market fluctuations
- your investment objectives
- 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. He or she can propose a diversified portfolio that best suits your personal situation. A well-diversified portfolio will give you peace of mind while your RRSP grows.

For a clear view of the big picture, pool your RRSPs!

If you have RRSPs in more than one financial institution, pool them together at your Desjardins caisse. You and your advisor will have a better overall view of your assets so you can

- streamline your portfolio management
- optimize your investment strategy
- choose the right complementary products for you
- obtain advice on ways to reduce your tax burden
- more easily track the growth of all your RRSP investments using the AccèsD service on **desjardins.com** under the "Savings and investments" tab

To help you transfer your funds from another institution, speak to your Desjardins advisor. He or she will contact the other institution and have your RRSPs transferred at the most favourable time.

A question of investment strategy

You wouldn't use the same strategy if you were a new graduate as you would if you were just ten years from retirement. Your Desjardins advisor knows this and can suggest solutions that fall in line with your objectives and your financial means. Together, you'll decide on the investment frequency that suits you best and the amount you contribute to your RRSP to reduce your taxes and grow your assets. Your advisor is also well positioned to advise you on low-interest RRSP financing solutions. 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 timeline.

RRSP OR TFSA?

As you prepare for retirement, the TFSA (Tax-Free Savings Account) complements your RRSP and acts as an additional financial tool within your comprehensive investment strategy. The TFSA allows you to save tax-free and is a great way to plan for special projects.

A way to benefit from both plans: You can invest the tax refund you get from your RRSP contribution into a TFSA! This amount is sheltered from taxes and can be withdrawn, tax-free, at any time.

How much should I invest in an RRSP?

In short, every year you have the option of contributing up to 18% of the income you earned during the previous year. This rule is subject to a \$22,970 limit for 2012 and \$23,820 for 2013.

Normally, any contributions made during the first 60 days of the year (January 1 to March 1) can be deducted from your taxable income earned in the previous year, the current year or even in following years. RRSP contributions made after that (from March 2 to December 31) are deductible from the taxable income of the current year or future years. If you haven't contributed the maximum amount every year since 1991, any leftover amounts accumulate in the form of unused contributions that you can use later on.

To find out the amount you can contribute this year and your unused RRSP contribution room to date, look at your last Canada Revenue Agency (CRA) Notice of Assessment. The amount is indicated under the heading "RRSP deduction limit" for the current year. You can also find out by calling the CRA at **1-800-267-6999** or visiting cra-arc.gc.ca, and looking under "My Account."

Contributing the maximum amount and using up your unused contribution room allow you to benefit from a substantial income tax reduction and, above all, quickly increase the value of your portfolio as you save toward the retirement of your dreams. Maximize your contributions to keep time on your side!

CONTRIBUTE TO MY RRSP? EVEN 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! Living life to the fullest today while saving for tomorrow is actually possible, thanks to Desjardins RRSPs.

The RRSP is an ingenious product for anyone who has an income, because all the money you invest 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!

Not to mention that the income tax reduction may lead to a refund that could come in very handy to improve your financial situation. You could use it to pay down your student loan, pay off your car loan, settle your credit card balance or contribute to a TFSA – you name it!

Budget for your RRSP just like you budget for groceries

Your groceries are an important part of your budget, right? Why not make it the same for your RRSP? If you have a regular income, contributing to your RRSP through regular instalments is THE most effective, flexible way to build your portfolio. Your investment begins growing right from the first day and your investment earnings accumulate faster than if you only contribute 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 of your contributions: every week, every two weeks or every month. 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 as regular instalment RRSPs, including regular instalment term savings accounts and Desjardins Funds.⁴

With a regular instalment RRSP, you can, if you wish, slowly use up your unused contribution room. Using regular instalments, you can also 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 notify the government.

There is yet another possible solution: the Desjardins Group RRSP, offered by your employer, allows you to easily and efficiently grow your capital. Your contributions are deducted directly from your salary and provide immediate tax savings. If you don't currently have access to the Group RRSP, your employer can contact Desjardins to find out how to set it up.

Would you like to streamline the way you manage and track your investments? With the Diapason, Chorus II and SocieTerra Portfolios from the Desjardins Funds line of products, it's possible!⁴ These products offer you good diversification in a single investment. Each contribution is invested in a portfolio that matches your investor profile. It's a very effective way to maximize the return potential of your RRSP. To find out which Diapason or SocieTerra product is right for you, talk to your Desjardins advisor.

⁴ Desjardins Funds are offered by Desjardins Financial Services Firm Inc., a mutual fund dealer owned by Desjardins Group. 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.



Think twice before putting off your first contribution

Peter is 25. He'd eventually like to begin investing for his retirement, but not right now. He thinks he'll be just fine if he waits until he's 30. Little does he know, this decision could cost him a lot!

The cost of waiting five years? \$84,874. The difference between \$331,862 and \$246,988. That's how much less he'll have at 65 if he starts to save at 30 instead of right away. With all that money he could take quite a few trips or just treat himself even more. Makes you think, doesn't it? Can you afford to deprive yourself of that much?

RESULTS OF A \$50 CONTRIBUTION PER WEEK STARTING AT: ⁵			
Contributions starting at age:	25	Amount accumulated ⁵	\$331,862
	30		\$246,988
	35		\$180,880
	40		\$129,389

A DIFFERENCE OF NEARLY \$200,000 IF YOU START ONLY AT AGE 40

Dreaming about your new home? Your RRSP is the key!

The Desjardins RRSP is an effective way to get that trendy downtown loft, townhouse in the suburbs or dream house in the country, thanks to the government program known as the Home Buyers' Plan (HBP). You can use this program to apply your RRSP to the down payment on your first home, without paying income taxes on the amount you withdraw. Under the HBP, you can take up to \$25,000 from your RRSP (\$50,000 per couple) to help you buy a property to use as your main residence. One of the conditions of this program is that you must become a homeowner before October 1 of the year following your withdrawal.

Starting two years from the date you withdrew your money under the HBP, you have 15 years to pay it back into your RRSP, with no interest charges. Each year, you must contribute at least 1/15th of the amount withdrawn, which would be \$1,667 for the \$25,000 maximum. Of course, if you'd like to increase your RRSP, you can choose to make higher payments.

If you're thinking of using the HBP to make a down payment on a property within the next few years, one of the best strategies would be to maximize your RRSP, so you could also benefit from lower taxes for the current year.

If you've contributed to your TFSA, you can use the money you've saved to top up your RRSP contribution. By withdrawing money from your TFSA to reach your RRSP contribution limit, you'll be able to make a bigger down payment and receive a tax refund that you can then reinvest in your RRSP, TFSA or – if you have children – a registered education savings plan (RESP).

Furthermore, homes purchased under the HBP are eligible for a federal tax credit of \$625 for Québec residents and \$750 for residents of other provinces.

⁵ Calculation based on a diversified portfolio with a 5% annual compound rate.

HBP without an RRSP?

The Home Buyers' Plan (HBP) 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 for no more than your RRSP deduction limit.
- Deposit the money 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.

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 contribution room because they have never contributed to an RRSP. They plan to buy a \$175,000 condo and they have \$20,000 saved up for a down payment. They decide to borrow to take advantage of the HBP program.

	QUÉBEC		ONTARIO	
	Mélanie	David	Mélanie	David
Loan to contribute to RRSP	\$25,000	\$25,000	\$25,000	\$25,000
Income tax refund ⁶	\$7,500	\$7,500	\$5,400	\$5,400

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 online, they receive their income tax refunds, which they add to the down payment on their property.

	QUÉBEC	ONTARIO
Total cost of the property	\$175,000	\$175,000
Savings accumulated for the down payment	\$20,000	\$20,000
Income tax refunds applied to the down payment	\$15,000	\$10,800
Total down payment	\$35,000	\$30,800
Mortgage	\$140,000	\$144,200

Melanie and David have turned their dream into reality for much less than if they had signed a \$155,000 mortgage. Thanks to the HBP, they've borrowed a lot less money, so their mortgage payments will be a lot less, too! In two years, they will have to start paying back at least \$1,667 per year into their RRSP. Since they know the value of a comfortable retirement, they'll be making regular instalments of more than the minimum required and maximizing their RRSP investments as well as reducing their taxes.

⁶ Income tax refund amount rounded off for illustration purposes.



Why would I invest in an RRSP? I have a pension fund!

Some companies offer their employees pension plans; however, it's rare for these plans to take up all of an employee's RRSP contribution room. That said, it's often a very good start.

Find out the conditions of your pension plan. 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 determine whether your income from this source would be enough to meet your retirement needs. If not, don't give up on your retirement dreams: talk to your Desjardins advisor.

Do you plan to stay in your current job for a long time? Your bonuses, vacation pay, retirement allowance and other amounts from your employer could be paid directly into your RRSP, with no deductions at source, if you have enough unused RRSP contribution room.

Are you planning to work for a different employer? You can always transfer your retirement fund to a locked-in retirement account⁷, depending on the conditions of your employer's plan. Talk to your caisse advisor or financial planner.

Whatever your situation may be, your caisse advisor will provide you with an overview of your financial situation and establish your personalized strategy, so you can make the most of the many advantages of the Desjardins RRSP.

⁷ Locked-in retirement account based on applicable legislation: federal, locked-in RRSP; Québec, locked-in retirement account (LIRA); Ontario, locked-in retirement account (LIRA); or any other designation depending on the jurisdiction in which the funds originate.



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 current lifestyle, you will need around 70% of your gross income in the last few years before retirement. Remember that with retirement lasting longer and longer, it's important to give it some serious thought and come up with a savings strategy as soon as possible.

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 without a pension fund. His gross annual income is \$50,000 and he's convinced that when he hits retirement, his government benefits 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 benefits to which he's entitled will only pay him \$18,000 a year! In order to meet his financial needs, he will need \$17,000 a year from personal savings – 95% 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 **personalized Desjardins retirement analysis**. Your advisor will use a structured system (see pages 7 and 8 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 by using your unused RRSP contributions

In order to guarantee yourself a comfortable financial situation during the longest “vacation” of your life, max out 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 an attractive 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 contributions to her pension 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 put her unused contribution room to work.

	QUÉBEC	ONTARIO
Taxable income	\$55,000.00	\$55,000.00
Catching up on RRSP contribution room	\$15,000.00	\$15,000.00
Income tax savings	\$5,565.00	\$4,483.00
RRSP loan	\$15,000.00	\$15,000.00
Weekly interest (paid for eight weeks) ⁸	\$21.51	\$21.51
Income tax savings applied to the loan	\$5,565.00	\$4,483.00
Balance owing on RRSP loan	\$9,435.00	\$10,517.00
Weekly payments	\$44.64	\$49.76
Number of payments	252	252
Actual cost of loan	\$11,249.28	\$12,539.52

So the payments Carol has to work into her budget are not even \$50 a week because she uses her entire income tax refund to pay down her loan and decrease her payments. Notice how Carol’s contribution method will lead to substantial growth over the years.

VALUE OF A \$15,000 RRSP CONTRIBUTION ⁹ IN:	
5 years	\$19,144
10 years	\$24,433
15 years	\$31,184
20 years	\$39,799
25 years	\$50,795

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

⁸ At a 7.5% rate for a 60-month term.

⁹ Calculation based on a diversified portfolio with a 5% annual compound rate.

* Borrowing to invest constitutes leveraging. If the product of the loan is invested in mutual funds, the transaction presents a greater level of risk. Talk to your mutual fund representative for more information about leveraging.

Does going back to school sound cool?

Would you like to return to school full-time? Perfect your skills in your field of choice? Under the Lifelong Learning Plan (LLP), you can withdraw up to \$10,000 per year tax-free (up to a maximum 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 money you withdrew. If that's your dream, maximize your RRSP contributions now to take full advantage of income tax savings.

Did you set up an RESP for a child who has decided not to pursue post-secondary studies? If you're planning to go back to school, you can use the money in the RESP for yourself, or you can transfer it to your RRSP, as long as you have unused contribution room. A maximum of \$50,000 may be transferred from an RESP to an RRSP.

Tips for spouses to save on income taxes

If your legal or common-law spouse will have a lower income than you during retirement, it could be a definite advantage to contribute to your spouse's RRSP. The contributions would be established based on your own income and you would receive the tax deductions. Using this effective strategy, you would both have retirement income and you would also be minimizing your couple's taxes.¹⁰ This is 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 income were taxed as though earned by only one of the spouses. What's more, in certain cases this strategy can help you avoid partially or totally repaying the Old Age Security pension once you're entitled to it. Contributing to your spouse's RRSP may even be advantageous despite the option you have of splitting your pension income.

Making the most of your TFSA contributions

You can also give the maximum permitted annual amount to your spouse so that he or she can contribute to his or her TFSA. By doing so, both halves of your couple can make the most of the annual tax-free contribution limit, per couple. Since 2009, there are several factors to consider when making this decision, so talk to your advisor first.

¹⁰ Certain conditions apply upon withdrawal. Any contribution paid into a spouse's RRSP becomes the spouse's property.



WHEN RETIREMENT'S NO LONGER A DISTANT DREAM

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

- adapt your investment strategy
- fine-tune the diversification of your portfolio
- propose ways to lower your tax burden

If you've already maxed out your RRSP, your advisor can suggest other Desjardins solutions to suit your profile, like contributing to a TFSA or an RESP.

Excess contributions pay off

Once you've maxed out your RRSP and TFSA, you can contribute an extra \$2,000 without being penalized, as long as you can deduct the contribution in the future. While you can't deduct such a contribution from your current taxable income, it would be sheltered from income tax as it grows. The table below shows how an extra \$2,000 in your retirement portfolio can grow over time.

VALUE OF A \$2,000 EXCESS RRSP CONTRIBUTION ¹¹	
After 10 years	\$3,258
After 20 years	\$5,307
After 30 years	\$8,644

Two people could accumulate up to \$17,288 more and really make the most of retirement!

The right products at the right time make tax sense

Certain investment products are taxed more than others. Within an RRSP or a tax-free savings account (TFSA), this makes no difference because everything inside the plan grows without being taxed. However if you maximized your RRSP and your TFSA contributions 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 securities¹²: the majority of investment funds, preferred shares and certain common shares.

¹¹ Calculation based on a diversified portfolio with a 5% annual compound rate.

¹² Dividend income taxable at the lowest federal income tax rate generally gets more favourable treatment than capital gains.

Selling shares and investment funds can earn you a capital gain. These products are generally taxed at the lowest rate¹³: half the rate of interest income.

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, TFSA or non-registered portfolio. Here's an example to help you see the difference:

AFTER-TAX VALUE* OF \$1,000 IN INVESTMENT INCOME, DEPENDING ON ITS SOURCE	QUÉBEC	ONTARIO
Interest	\$518	\$520
Assessable dividends	\$672	\$683
Capital gains	\$759	\$760

As you can see, it's better to include products that generate interest income in your RRSP or TFSA and products that generate dividends or 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, as long as you still have unused RRSP contribution room. You continue to accumulate RRSP contribution room if you declare business or rental income, for example. Even once 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. It's an excellent way to save on taxes and build the retirement you deserve.

Your advisor: putting all of Desjardins group's expertise at your fingertips

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 focus on your objectives, and find ways to achieve them. Your advisor will take into account your investor profile, investment timeline, sources of retirement income, return on your portfolio and the inflation rate.

¹³ Dividend income taxable at the lowest federal income tax rate generally gets more favourable treatment than capital gains.

* Calculated at the 2012 maximum marginal rate.

DESJARDINS AUTO-SAVINGS STRATEGY FOR YOUR RRSP

The easiest and handiest way to build your RRSP is to save through the Desjardins Auto-Savings Strategy, a regular savings instalment program. Your contributions become part of your budget, which makes it easier to save and to do so at your own pace. All you need to do is decide on the amount and frequency of your contributions: everything else is done automatically.

At Desjardins, we offer you innovative solutions to help you make regular contributions to your RRSP:

Regular instalment RRSP

This method allows you to invest in your RRSP at regular intervals—you decide the amount and the frequency. 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 making deposits 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: choose from one- to five-year terms.

Desjardins Funds¹⁴

We have a wide range of Desjardins Funds accessible through regular instalments of as little as \$25 per contribution.*

The Diapason, Chorus II and SocieTerra Portfolios¹⁴ make it easy to take advantage of market growth in a single investment. This turnkey approach ensures the optimal diversification of your assets, in line with your investor profile. These portfolios give you access to many Desjardins Funds, NorthWest Funds and Ethical Funds, selected to complement your portfolio and meet your needs.

Desjardins Funds offer a variety of diversified portfolios for each of the investor profiles. Each portfolio is automatically rebalanced on a regular basis, to limit fluctuations and maximize return potential.

Diversification typically involves purchasing many products, which can be tiresome. The Diapason, Chorus II and SocieTerra Portfolios are the perfect solution: sound diversification in a single transaction!

Our Diapason and Chorus II Portfolios even help you meet your liquidity needs, whatever they may be!

Group RRSPs

This group savings method, which some employers offer, allows employees to contribute to their RRSP through deductions from their paycheque. The employee benefits from immediate tax savings and is eligible for discounts on management fees according to the amount in their plan. The employee retains management of his or her own assets, with the possibility of choosing from a full range of investment solutions, such as guaranteed investment certificates as well as the Diapason and SocieTerra Portfolios. If this method interests you, speak to your employer.

¹⁴ Desjardins Funds are offered by Desjardins Financial Services Firm Inc., a mutual fund dealer owned by Desjardins Group. 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 use of an asset allocation service. Before investing, please read the simplified prospectus.

* Certain conditions apply.

DESJARDINS RRSP CASH INVESTMENT SOLUTIONS

Do you have cash on hand that you'd like to put into your RRSP? Your advisor can recommend which of our products will be perfect for your investor profile.

Regular savings

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

Guaranteed fixed-rate investments

Regular Term Savings yield a higher, guaranteed interest rate throughout the term, which can vary from 30 days to 10 years – the choice is yours!

Climbing-Rate 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 deposit certificate that is divided into separate segments, each of which carries a different interest rate and term. At maturity, each segment is renewable for a three-, four- or five-year term, depending on the number of segments you originally selected and the applicable rate for the given term. This strategy helps protect you against interest-rate fluctuations and provides a higher average rate of return.

Market-linked guaranteed investments

Take advantage of stock market growth risk-free with the **double possibility of returns** offered by market-linked guaranteed investments.



¹⁵ Variable yield components may be nil at maturity. Some market-linked guaranteed investments offer guaranteed yields. Your capital is always guaranteed at maturity.

NEW: Zenitude Guaranteed Portfolio

Like the name says, the Zenitude Guaranteed Portfolio gives you peace of mind. Your initial investment is protected and you have the possibility of higher returns¹⁶ when the market grows. The portfolio is well diversified for a simple and complete turnkey investment solution. Your capital is never at risk and you have everything to gain.

A number of options are available depending on how much fluctuation you're willing to tolerate.

	If you want a safe investment with a guaranteed return while benefiting from market growth:	If you're looking for the possibility of higher returns ¹⁶ linked to market growth without risking your capital:
SIMPLE YET COMPREHENSIVE PORTFOLIOS	<p>Zenitude Guaranteed Portfolio: Secure or Balanced</p> <p>Zenitude Guaranteed Portfolio: with Income Option</p>	<p>Zenitude Guaranteed Portfolio: Dynamic</p>
À LA CARTE INVESTMENTS	<ul style="list-style-type: none"> • 3-in-1 and 5-in-1 Guaranteed Investment • Financial Services Guaranteed Investment • Healthcare Guaranteed Investment • Consumer Staples Guaranteed Investment • Quebec Selection Guaranteed Investment 	<ul style="list-style-type: none"> • Canadian Index Guaranteed Investment • U.S. Index Guaranteed Investment • Natural Resources Guaranteed Investment • Priority Terra Guaranteed Investment

- No administration or management fees
- Designed by experts
- 3 or 5 year terms
- Covered by deposit insurance
- Redeemable or convertible in the event of unforeseen circumstances¹⁷

Desjardins Funds¹⁸

When you put your money in an investment fund, you're entrusting your money to professionals who pool the money of people who share the same financial goals. By combining resources, you get access to securities that 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 options in each asset category: income funds; balanced funds; specialty funds; Canadian and U.S. equity funds; and global and international funds. Desjardins Funds also provide access to a variety of managers and management styles through its partnership with reputed portfolio managers and investment companies. And if you're looking to diversify your portfolio in a single transaction, we offer several practical solutions, including the Diapason, Chorus II and SocieTerra Portfolios.

Other investment funds¹⁸

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

¹⁶ Variable yield components may be nil at maturity. Some market-linked guaranteed investments offer guaranteed yields. Your capital is always guaranteed at maturity.

¹⁷ For products with a 5-year term. Terms and conditions are given in your investment agreement.

¹⁸ Desjardins Funds are offered by Desjardins Financial Services Firm Inc., a mutual fund dealer owned by Desjardins Group. 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 use of an asset allocation service. Before investing, please read the simplified prospectus.

The Helios Contract¹⁹

Helios® offers you investment Funds that provide death and maturity guarantees. This means you can access the markets' potential growth while protecting yourself from its downturns.

Securities brokerage

Some investors are looking for a self-directed RRSP,²⁰ which is a retirement savings plan that allows them to choose from a vast range of investment instruments from money markets (such as bankers' acceptances), bond markets (government and corporate bonds) and stock markets (mainly Canadian, U.S. and foreign shares). For anyone interested in this approach, we offer 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 knows what's going on in the markets and who is supported by a recognized research service.

The role of a Desjardins Securities advisor is, firstly, to sit down with you to determine your financial objectives, while keeping your personal financial situation in mind. Once that step is completed, your advisor will guide you through choosing the right investment accounts for your needs and will propose a personalized investment and asset allocation strategy that fits your financial goals and investor profile.

Your advisor is always up-to-date on the latest and most relevant financial and economic events and trends, so he or she is in an ideal position to watch over your accounts and ensure they're growing in line with the needs of your personal situation.

- **Online brokerage**

Are you an experienced investor? Think Disnat.²¹

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 online or telephone transactions. To trade on your own, remember this address: **disnat.com**.

Are you an active investor looking for a cutting-edge trading platform? Disnat Direct provides one of the best direct-access, real-time brokerage services in Canada, both in terms of technology and personalized services. Visit disnatdirect.com.

¹⁹ The Helios Contract is offered by financial security advisors working for Desjardins Financial Security, Financial Services Firm. The terms are defined in the glossary of the Contract and Information Folder for the Desjardins Financial Security Guaranteed Investment Funds Plan – Helios.

²⁰ 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,[†] private placement and mutual funds). It is administered by Desjardins Securities and its online brokerage division, Disnat. Desjardins Trust is the trustee. Desjardins Securities is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF).

[†] Investors must read the document that describes the risks inherent in trading options. Options are not suitable for all type of investors.

²¹ Available from your Desjardins Securities investment advisor or on your own through Disnat Online Brokerage. Disnat is a division of Desjardins Securities. Desjardins Securities is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF).

DESJARDINS RRSP FINANCING SOLUTIONS²²

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:

\$4,000 CONTRIBUTION PER YEAR FOR 30 YEARS	\$4,000 CONTRIBUTION PER YEAR FOR 30 YEARS, EXCEPT FOR THE SECOND YEAR
\$279,043	\$262,579
Difference: \$16,465 ²³	

If you're short on cash, rather than skipping your RRSP contribution, it might be a better idea to look into some of the financing solutions below.

Accord D RRSP financing²⁴

In just a few minutes²⁵, you can obtain financing for your annual contribution or for your unused contribution room.

Accord D RRSP financing is a second credit limit on your VISA Desjardins card, separate from the current credit limit. The interest rate for Accord D financing is different from the rate on your credit card. The interest rate is equal to the rate you would secure for an RRSP loan when you invest the loan granted in a Desjardins investment vehicle. The actual cost of the loan may be offset by the tax savings enjoyed and, of course, the tax-sheltered investment income that accumulates.

Avantages

- Your financing application is processed in less than 15 minutes.²⁵
- You can apply through AccèsD online at any time and the funds will be automatically deposited to your RRSP regular savings account.
- You have the option of paying only the interest on the loan – and none of the capital – for a 6-month period.
- You get an interest rate as low as the rate on RRSP loans.
- You make equal payments over a period of 12 to 60 months, which are included in the minimum monthly payment on your VISA Desjardins card. Depending on the amount financed, the loan can be repaid over a period of up to 10 years.
- Life and disability insurance coverage are automatically included for the primary account holder.²⁶ No other form of financing offers this advantage!
- No penalty for repaying your loan in full or in part at any time before its due – a great way to use your income tax refund!

For more information, visit desjardins.com/accordrrsp. As you can see, there are a lot of great advantages to Accord D RRSP financing!

²² Borrowing to invest constitutes leveraging. If the product of the loan is invested in mutual funds, the transaction presents a greater level of risk. Talk to your mutual fund representative for more information about leveraging.

²³ Calculation based on a diversified portfolio with a 5% annual compound rate.

²⁴ Subject to approval from the Desjardins Card Services credit department.

²⁵ During Desjardins Card Services business hours.

²⁶ Insurance coverage is held with Desjardins Financial Security Life Assurance Company. Only the insurance policy sent with the Accord D to transaction statement from the caisse can be used to settle legal issues. Certain conditions and restrictions apply.

The RRSP loan²⁷

When you take advantage of the Desjardins RRSP loan, you benefit from a lower rate than a personal loan. If you receive your income tax return quickly and use it to pay down the loan, this could be an even better deal. Once you've paid back your loan, opt for the Auto-Savings Strategy to contribute to your RRSP all year long. Over the long term, this is the most profitable arrangement.

The unused contribution room RRSP loan²⁷

The unused contribution room RRSP loan allows you to borrow at a low rate. You can repay the loan over a period of up to 10 years, depending on the amount borrowed. Using your unused RRSP contribution room would provide you with a substantial income tax refund and, above all, increase the value of your retirement portfolio.

The multiproject option²⁷

With the Multiproject Option, you can re-borrow money you've repaid on your mortgage – a smart way to top up your RRSP!

The versatile line of credit²⁷

The Desjardins Versatile Line of Credit is a financing option that allows homeowners to use their property's net worth²⁸ to make their dreams come true. Whether you use your Versatile Line of Credit to renovate your house, purchase a secondary residence or contribute to an RRSP, it's the ideal financing tool for homeowners who wish to use the value of their home to their advantage.

Protect your ability to pay back your RRSP loan

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 Versatile Line of Credit, don't forget to get loan insurance. With the protection of loan insurance, you can keep making your payments even if an accident or illness prevents you from working. Plus, you can make sure that should you die, your loved ones aren't stuck paying back your debt.

Getting loan insurance coverage on your RRSP loans is a way to shield yourself against unexpected events that could jeopardize your retirement plans.

²⁷ Certain conditions apply. Characteristics may change without prior notice.

²⁸ Net market value of your property.



DESJARDINS INSURANCE SOLUTIONS AND RETIREMENT SECURITY

Protect your assets

Did you know that an accident or illness 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 planner²⁹ at your caisse, who can refer you to a financial security advisor.³⁰ A financial security advisor can offer you an insurance solution that includes a range of life, health and disability insurance options adapted to your needs, in order to protect your investment against the unexpected.

Retirement security starts with your money's security

Depending on the province in which your caisse is located, either the *Autorité des marchés financiers* or the Ontario Deposit Insurance Corporation guarantees* the deposits held at the caisse, according to the criteria set for these programs.

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 fund can be used to cover any deficit a caisse may be unable to handle. As at September 30, 2012 this fund totalled \$805 million to secure daily caisse operations.

²⁹ Financial planners and mutual fund representatives work for Desjardins Financial Services Firm Inc.

³⁰ 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 money invested in mutual funds or other investments – such as shares, corporate bonds or treasury bonds – whose value and yield may fluctuate according to market trends.

WHERE TO GO FOR INFORMATION ON DESJARDINS RRSPs AND TFSAs

Remember this address: desjardins.com/rrsptfsa

You'll find plenty of RRSP and TFSA information on our Web site to help you plan for future projects such as retirement. We encourage you to visit it often in order to keep up on the latest RRSP and TFSA news.

In the "Plan your retirement" section, when you click on "Flash Retirement Québec," you'll be directed to a site with more than 50 articles about your personal finances and preparing for retirement. Desjardins was actively involved in creating these informative articles in collaboration with the *Régie des rentes du Québec* and other financial institutions.

AccèsD Internet: watch your portfolio grow!

By logging on to the AccèsD Internet service and clicking on the "Savings and investments" tab, you'll have access to your term savings and market-linked guaranteed investment statements as well as the market value of your securities and investment funds, whether in your RRSP, TFSA or non-registered portfolio. With this handy tool, you can follow the growth of your portfolio 24/7, wherever you may be!

Contribute to your RRSP or TFSA wherever and whenever you want

You can contribute to your RRSP or TFSA by calling or going to your caisse or you can contribute online at desjardins.com/rrsptfsa or by calling **1-800-CAISSES**.

Contribute online in just a few clicks!

Fast, easy and, above all, secure, you can contribute to a variety of RRSP and TFSA products via AccèsD Internet.

1. Go to Desjardins.com and log in 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 investment.

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

Whichever way you prefer to get in touch with us, you'll find that at Desjardins, our highly skilled employees pride themselves in providing the attentive and quality service you deserve.



Cooperating in building the future

1-800-CAISSES
desjardins.com/rrsptfsa

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