

January
2017

News & Views

HOURS OF OPERATION

Esterhazy Branch

516 Main Street
P.O. Box 1389

9:30am–5:00pm
Monday to Friday

Bus: (306) 745-6615
Fax: (306) 745-2858

Stockholm Branch

116 Ohlen St
P.O. Box 130

9:30am–12:00pm
1:00pm–5:00pm
Monday to Friday

Bus: (306) 793-2171
Fax: (306) 793-2013

1 (866) 533 NVCU (6828)
www.northvalleycu.com



North Valley Credit Union

Make it Real



The key to registered savings plans and the two letters to which you should pay the most attention.

First of all, let me start out by saying that this commentary on registered plans represents my own opinion which is based, of course, on my many years in the financial services industry. The acronyms for the Registered Retirement Savings Plan and the Tax Free Savings Account both have four letters in them. There is one letter in each acronym that I feel is the key to the product.

Starting with the Registered Retirement Savings Plan I would submit that the key letter is the second "R". It stands for retirement and if you want to ensure a good and enjoyable retirement you should only use the funds in your registered plan for retirement. It is wise to avoid taking money out of your RRSP for other purposes not related to retirement. Not only will doing so vastly reduce the amount of capital you will have to provide a retirement income for yourself but you will be taxed on any withdrawals at your top marginal tax rate. It is extremely important that if you are an employed individual but are not covered by a company pension that you take advantage of an RRSP to augment the government plans that are currently in place namely the Old Age Security Pension and the Canada Pension Plan.

As far as the Tax Free Savings Account is concerned I would submit that the key letter in that acronym is the "S". In this case, rather than pay attention to that letter it would be wise to ignore it. I feel the product was poorly named upon introduction given the extreme value it has as a long-term capital acquisition tool. By considering the TFSA as another retirement income vehicle you will be able to take advantage of tax free compound accumulation within the plan. The best part of this investment vehicle is that you will not be taxed on any withdrawals when you ultimately decide to access some of your accumulated capital. It can also be an excellent tax management tool in retirement as the withdrawal of funds from a TFSA does not affect any income-tested government programs such as Old Age Security or the Guaranteed Income Supplement. As well, many different types of investments can be held within the TFSA not just savings accounts.

So, I would urge everyone to take full advantage of both of these government savings programs. The greater use you make of these two programs the brighter your future will be. Take action now to make sure you are not missing out!

Roy Spence

CEO & General Manager
North Valley Credit Union



What's in your TFSA?

As of January 1, 2017 you could contribute an additional \$5,500.00 to your TFSA. The total cumulative contribution for a TFSA is

\$52,000.00,

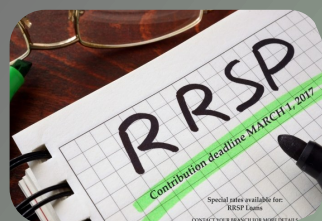
which makes the TFSA a viable option as a retirement vehicle to supplement RRSP's and pensions.



TRAVELLING? DON'T GET CAUGHT WITHOUT ACCESS TO YOUR FUNDS

Contact us for more information

Esterhazy: (p) 306.745.6615 Stockholm: (p) 306.793.2171 Email: info@northvalleycu.sk.ca



RRSP's offer a way to minimize the tax you pay, and smooth it out over your lifetime.

Avoid Deadline constraint issues by making monthly or biweekly contributions all year
* ensure you monitor your contributions to avoid penalties.

RRSP contribution deadlines are fast approaching.
Book your appointment early to avoid missing the deadline.
MARCH 1st, 2017

A TFSA is another investment vehicle for retirement savings.
*Contact NVCU for more details

Registered Retirement Savings

One key deduction not only offers tax benefits, but it also helps you save systematically and prepare for retirement and other financial needs. **Registered Retirement Savings Plans (RRSPs)** let you put money into a registered plan and *deduct the money from your taxable income*.

- Deducting your RRSP contribution from your net income means you don't have to pay federal or Quebec income taxes on it until you take it out of the registered plan. When you take the money out of the plan, you may be in a lower tax bracket, which may represent a lower cost or even a gain for you.

An RRSP can include almost any type of investment. Ensure that the investment is a good one for your needs. Returns may be guaranteed or they may not—some types of investments, such as stock market shares, can lose money. See the module on Investing on the Financial Literacy page of the CRA website for more information.

- The maximum amount you can put into an RRSP depends on your income. It's listed on the Notice of Assessment that the CRA sends you when you file your federal tax return. For example, the maximum limit for 2016 was 18% of your previous years income to a maximum of \$25,370. (If you did not contribute the maximum in previous years, you may be able to contribute more.)

- RRSPs are designed to help you save money for your retirement. You can withdraw money from your RRSP for certain purposes, such as buying your first home and financing your education. However, you will have to pay it back within a limited period of time. In addition, if you take your money out of the plan for any other reason before you retire, part of the amount you take out will be withheld for taxes.

For details, go to the RRSP page of the CRA website.

Special Promotional Offer

Want to max out your RRSPs? Have you made your TFSA Contribution?

Take advantage of our Loan Promotion for maximizing your contributions.

- Interest Rate as Low as Prime*
- Low Manageable Payments
- Take Up to 10 Years to Repay
- Maximize your TFSA Contributions
- Maximize your RRSP Contributions
- Minimize Your Income Tax

To setup an appointment, contact Nicole or Chandra at 306-745-6615.

North Valley Credit Union

* Loans are based on the NVCU prime rate. Prime rate may be subject to change without notice.
* Loan approvals are subject to North Valley Credit Union's lending guidelines.

JUST A LITTLE
Reminder

Traveling Soon?



Notify your branch to ensure you have access to your funds while you're away.

Notice to our Members, Customers and the General Public.

This is a friendly reminder that the areas located both North and South of the Credit Union building are not public laneways. These areas are Credit Union owned property and not designed to accommodate public through traffic. It is the intention of the Credit Union to close off the North lane once spring arrives. Please refrain from using these two areas as public roadways as they are not.

The public laneways that do exist run North and South behind the Credit Union building and East and West just North of Anytime Fitness and the Theatre.

Your kind consideration is much appreciated.

Golden Opportunities Fund Inc.

Receive
35%
in tax credits.



COMPARE THE SAVINGS
on a \$5,000 RRSP Investment:

Golden Opportunities RRSP	
Regular RRSP	Golden Opportunities RRSP
44% RRSP Tax Savings \$2,200	15% Federal Tax Credit \$750
Your Savings \$2,200*	20% Provincial Tax Credit \$1,000
	44% RRSP Tax Savings \$2,200
	Your Savings \$3,950*

INVEST **EARLY**

AVAILABILITY IS LIMITED
DON'T MISS OUT!

goldenopportunities.ca

North Valley Credit Union

Credential Asset Management

WADE PENMAN
MUTUAL FUNDS INVESTMENT SPECIALIST
CREDENTIAL ASSET MANAGEMENT INC.
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SOLD BY PROSPECTUS ONLY. Please read the Prospectus, which contains important detailed information, before investing. A free copy is available from your Financial Advisor or Credential Asset Management Inc. Commissions, trailing commissions, management fees and expenses all may be associated with Retail Venture Capital (RVC) Fund investments which may not be suitable for all investors. RVCs are not guaranteed, their values change frequently and past performance may not be repeated. Tax credits are available to eligible investors on investments up to \$5,000 annually, provided that the shares are held for at least eight years from the date of purchase. Redemption restrictions may apply. This is not intended to be tax advice; investors should seek a professional for tax advice. *Example assumes a marginal tax bracket of 44%, a minimum taxable income of \$140,389 and a \$5,000 RRSP investment. 35% tax credit available on investments up to \$5,000 annually. Paid for in part by Golden Opportunities Fund Inc. Mutual Funds are offered through Credential Asset Management Inc. *Credential is a registered mark owned by Credential Financial Inc. and is used under license.