BERKSHIRE SECURITIES INC.
BERKSHIRE INSURANCE SERVICES INC.

FINANCIAL STRATEGIES FROM

KURT ROSENTRETER & BRANDON WHITBY

CHARTERED ACCOUNTANTS • INVESTMENT ADVISORS • INSURANCE AGENTS • ALL IN ONE

KROSENTRETER@BERKSHIRE.CA 416 628 5770 ext 230 BWHITBY@BERKSHIRE.CA

It's RRSP Season

Deadline Is Approaching

The deadline for RRSP contributions is typically March 1st. Since 2008 is a leap year, your RRSP contributions for 2007 must be deposited by February 29th. For those who contribute through monthly PAC's (pre-authorized contributions), you may only have 11 eligible RRSP payments for 2007 if your contributions are done on the first of each month. Please review the amounts you have contributed as you may need to make a special one time payment by February 29th.

RRSP Limits

For 2007 the RRSP contribution limit is $19,000 or 18% or your 2006 earned income. For 2008, it will increase to $20,000. Keep in mind that if you are participating in an employer sponsored group RRSP or pension plan, your personal limit will be reduced by the amounts that are deposited to those programs. Check your 2006 Income Tax Notice of Assessment to find your personal deduction limit for 2007.

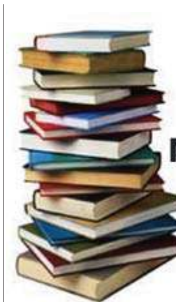
Maximizing Your Contribution

In our opinion, yes. The tax deduction you get for contributions, the tax deferred growth and the power of long term compounding make RRSP's hard to beat.

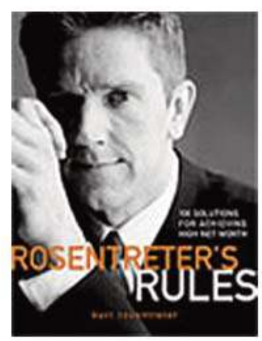
RRSP Maturity

When will your RRSP mature? RRSP's can only be held by people who are between the ages of 18 and 71. The RRSP must be converted to RRIF, LIF or an annuity by the end of the year in which the plan holder turns 71. Once converted, the new plan will provide an income stream to the plan holder. You may voluntarily convert your RRSP to a RRIF or other income plan prior to age 71 but be aware, a minimum amount must be withdrawn every year and all withdrawals from a RRIF are considered taxable income.

Tip: *If you retire but don't need all the cash flow that your RRIF could provide and are still under the age of 71, consider converting only a part of your RRSP to a RRIF.*



Kurt's National Best Selling Books



RRSP Beneficiary

RRSP's along with other Registered plans are eligible to have designated beneficiaries. If the plan holder dies and there is a beneficiary appointed to the plan, the proceeds of the account will go directly to that beneficiary. If it is a spouse, the assets can be transferred tax free to a registered account in the name of the surviving spouse. If the beneficiary is not a spouse, then the proceeds will be paid out. This payment will be a full disposition of the account, which would be fully taxable. Check all your registered accounts to be sure that there is the proper beneficiary appointed. This would include accounts such as an RRSP, RRIF, LIF, LIRA, Pensions, and Group RRSPs.

Contribute to your Retirement Savings or Pay Down your Mortgage?

A mortgage with a 6% interest rate costs you more than you could earn on a GIC or savings account, but a long term stock or equity mutual fund return of 10% inside the RRSP, plus the tax deferred growth and initial tax deduction usually makes the RRSP contribution a better choice financially compared to an extra mortgage payment.

Using Your RRSP to Buy Your First Home

We do not recommend that you trade your long term retirement goals for a short term home purchase goal. You need to accomplish both. If you absolutely must borrow from your RRSP, repay the entire Home Buyers Plan loan in 5 years or less. Stretching the payments out for the full 15 years allowed by the program harms your ability to take advantage of time to grow your RRSP savings for retirement.

Locked In RRSP

Have you changed jobs where you were once a member of a pension plan? Locked In Retirement accounts are for assets that were once part of a pension plan. If you are no longer a member of a pension plan, you may be able to transfer the commuted value to a Locked In RRSP. Moving money from a pension plan to a Locked In RRSP may be a great way to gain control of your assets from an investment perspective and potentially increase the estate value for your heirs, as pensions often pay nothing to your estate on the death of the pensioner or their spouse.

Investing Inside Your RRSP

A wide variety of products are suitable for holding inside an RRSP and creating a proper investment plan overall is an important first step. Some interesting product considerations are: Bonds, GICs, and bond mutual funds held inside RRSP's provide stability in rough markets while also tax sheltering interest income. Interest is the highest taxed form of investment income in Canada. Buying Canadian dividend paying stocks inside the RRSP and setting up an automatic dividend re-investment program to buy even more shares is a powerful way to build wealth long term at a very low cost.

Contact us to answer your questions, schedule a meeting, get a second opinion, refer a friend, order a book, receive a brochure on services and fees, create a financial plan and more.

Kurt Rosentreter@krosentreter@berkshire.ca/Brandon Whitby@bwhitby@berkshire.ca

Telephone: 416 628 5770, ext. 230