

**Manulife Securities**  
 MANULIFE SECURITIES INCORPORATED  
 MANULIFE SECURITIES INSURANCE INC.

FINANCIAL STRATEGIES FROM  
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 CHARTERED ACCOUNTANT • INVESTMENT ADVISORS • INSURANCE AGENTS • ALL IN ONE

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## RRSP Deadline is March 2nd, 2009.

For 2008, your maximum RRSP contribution limit would be noted at the bottom right of your 2007 Income Tax notice of assessment.

The calculation for your 2008 RRSP contribution limit is 18% of your 2007 earned income to a maximum of \$20,000, less any pension adjustments. The limit for 2009 will be increased to \$21,000. In determining how much you can contribute, make sure to include relevant employer contributions to employer sponsored plans.



If you have any questions about your limit, you should reference your notice of assessment, speak to your accountant or contact the Canada Revenue Agency TIPS line directly at 1 800 267-6999. To use TIPS, you will need to enter your date of birth and the amount of total income you reported on line 150 of your 2007 tax return.

**RRSP Over Contributions** Did you know that you can contribute as much as \$2000 to your RRSP, beyond your deductible limit?

Canada Revenue Agency (CRA) allows you to put \$2000 extra into your RRSP without incurring any penalties. The over contributed amount is not tax deductible but it will be able to grow within the plan on a tax deferred basis.

Please note that this is a one time contribution. The contribution can be carried forward until a few years before retirement, at which time it must be drawn down.

**Spousal RRSP** This is an RRSP that is owned by the spouse of the contributor. The contributor retains the tax deduction and the contribution counts towards the contributor's eligible RRSP contribution room.

These plans provide a great opportunity to split income in the future when the spouse is expected to be in a lower tax bracket compared to the contributing spouse.

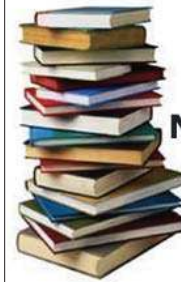
For retirees over the age of 71 who have RRSP contribution room, they may contribute to a spousal RRSP if the spouse is under age 71.

**RRSP Investments** One of most frequently asked questions that clients have been asking is:

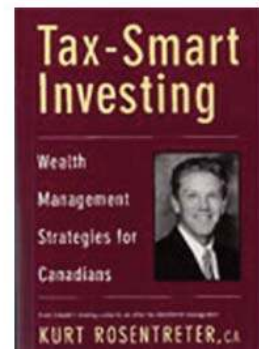
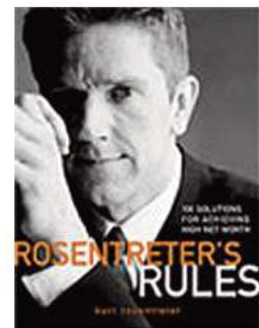
What should my RRSP contribution be invested in?

In our opinion, the answer is subject to your investor profile which includes analyzing time horizon, risk and objectives.

Since there is a wide range of qualifying investments for RRSP plans, we would be pleased to review your retirement accounts to be sure that they are properly reflective of your comfort level and are in line with your current goals. We understand that with the ever changing financial world, your objectives and plans may have also changed. Let's discuss to be sure they are all in sync.



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**RRIF Repayments** Last year the government announced that retirees who have made a withdrawal out of their RRIF account will have a one time opportunity to repay up to 25% of the required minimum payment for 2008. This will reduce the amount of taxable income that would be reported on their 2008 income tax return.

The repayment would need to be received by March 2nd, 2009 in order to qualify for the deduction. If you would like to know more, please contact us.

**RRSP Loans** RRSP loans could be a great way to maximize your RRSP contribution and increase your tax savings. Consider an RRSP loan if you are short on cash, but ensure the loan is paid in full in less than one year.

With interest rates falling to their lowest levels in years, this may be a sound strategy to take advantage of RRSP contribution room. Note, that any interest that is incurred on RRSP loans is not tax deductible.

**Automated Savings Plans – Save Monthly in Small Amounts** Savings plans where money is automatically deducted from your bank account is a pain free way to save. It makes the annual RRSP contribution easier to manage, since the amounts are small. These can be set up on a variety of frequencies such as monthly, bi-weekly, semi-monthly or quarterly.

If you chose an automated savings program, you may qualify for a reduction of income off your pay cheque, leaving more money in your pocket all year long.

**RRSP vs. TFSA** Generally you would want to fully contribute to both types of plans.

If you are not able to contribute to both your RRSP and a Tax Free Savings Account, we would need to examine your situation closely. Generally, it makes sense to add money to your RRSP first then start the TFSA when you have more money. RRSP contributions are tax deductible and TFSA contributions are not, providing RRSP's with an attractive tax advantage for a working Canadian. .

**Retirement Planning and Your RRSP** Retirement planning is often one of the most important long term financial goals of all Canadians. If you would like us to complete a retirement cash flow projection based on your personal situation to show the status of your savings and whether you are on track to reach your retirement goals, please contact us.

As always, we are here to assist you. Our team of our professional staff is accessible for clients at all times and we encourage you to contact us to book your review meeting for the first quarter of 2009. We look forward to meeting with you soon.

Best Regards  
Kurt and Brandon

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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. Manulife Securities Incorporated is a member of CIPF.

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