



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY | PRÉSENTÉ PAR

**Deloitte.**

# Navigating the Financial Landscape

Andrea Holmes & Scott Dickens

Nov. 7<sup>th</sup> 2015



# Introductions



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY / PRÉSENTÉ PAR

**Deloitte.**

## **Scott Dickens:**

- Team Canada Swimming 2003-2013
- Economics Degree, UBC
- Manager Business Development, Direct Investing

## **Andrea Holmes:**

- Team Canada Para-Athletics 2002-2008
- Team BC Para-Alpine Ski 2008-2011
- Commerce Degree, UVic
- Certified Financial Planner
- Banking Advisor



# Let's learn a bit about you:



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTE PAR

Deloitte.

- How old are you?
- How much money goes into your bank account every month?
- How confident do you feel managing your money?
  - (1- not confident, 10- I should be teaching this class)
- How confident do you feel asking for help managing your money?
  - (1- not confident, 10- I should be teaching this class)





GAME PLAN

PLAN DE MATCH

PRESENTED BY | PRÉSENTÉ PAR

**Deloitte.**

# Agenda:

- Goals
- Time Value of Money
- RRSP vs. TFSA
- Good vs. bad debt
- Credit history
- Call to action

# Goals



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY / PRÉSENTÉ PAR

**Deloitte.**

## Where do you see yourself:

- 1 year (ex. Take a personal trip for relaxation)
- 5 years (ex. Buy a condo)
- 10 years (ex. Get married and have a baby)

## What will these areas of your life look like:

- Health
- Personal
- Career
  - \*do these have a \$ cost associated with achieving your goal?



# The time value of money



## Saving a little now can help tomorrow

- Below are some examples of how saving \$125/month or \$29/week (8.3% of AAP Senior Carding) can grow over 5,7,10 and 35 years with a growth rate of return of 6% compounded annually.

|          | Amt. Invested | Total Saved w. Growth | Investment Growth |
|----------|---------------|-----------------------|-------------------|
| 5 years  | \$7,500       | \$8,721               | \$1,221           |
| 7 years  | \$10,500      | \$13,009              | \$2,509           |
| 10 years | \$15,000      | \$20,485              | \$5,485           |
| 35 years | \$52,500      | \$178,089             | \$125,589         |

# The time value of money



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTÉ PAR

Deloitte.

## Pre-Authorized Contributions Calculator

Calculate Savings Amount



### Calculate Total Savings:

? Contribution Amount:

\$ 125

? Contribution Frequency:

Monthly

? Annual rate of return:

6 %

? # of Years:

35 years

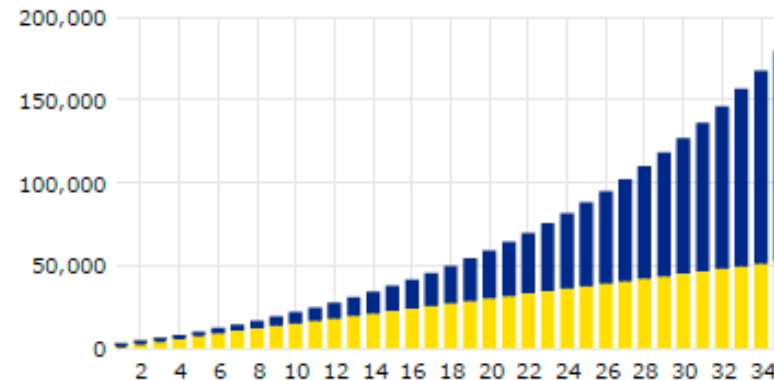
Calculate >

Total Savings: **\$178,088<sup>79</sup>**

### Growth Over Time:

Chart

Table



Cumulative Contribution Cumulative Return

Start Contributing Today >



# The time value of money



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTÉ PAR

Deloitte.

## Sample Athlete Example:

| Income             |                 |
|--------------------|-----------------|
| Carding            | \$18,000        |
| Provincial Carding | \$5,000         |
| Bursaries          | \$6,000         |
| Grants             | \$4,000         |
| Sponsorship        | \$7,500         |
| Prize Money        | \$3,500         |
| <b>Total</b>       | <b>\$44,000</b> |





# The time value of money



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTÉ PAR

Deloitte.

## Sample Athlete Example:

|          | Amt. Invested | Total Saved w. Growth | Investment Growth |
|----------|---------------|-----------------------|-------------------|
| 3 years  | \$13,212      | \$14,436              | \$1,224           |
| 5 years  | \$22,020      | \$25,606              | \$3,586           |
| 7 years  | \$30,828      | \$38,195              | \$7,367           |
| 10 years | \$44,040      | \$60,144              | \$16,104          |

- 10% of total income = \$4,400
- \$366.67/month or \$84.62/week
- Invested at a 6% rate of return



## The Latte Factor



How many coffees do you buy a week?



## What is an RRSP?

- An RRSP is available to everyone who works and files a Canadian income tax return. It is a personal savings plan that allows you to save for the future on a tax-sheltered basis. It is an investment portfolio for your retirement savings.

## Benefits of RRSPs

- By contributing to an RRSP throughout your working career, you'll realize immediate tax benefits at a time when your income is generally highest. The total amount of your annual contribution can be deducted from your gross income at tax time, reducing the amount you pay in income tax that year.
- The income earned in your RRSP is not taxed until it is withdrawn.

## Benefits of RRSPs - Example

Let's explore the immediate benefit of making an RRSP contribution for an individual with \$30,000 in taxable income and a 26% combined federal and provincial tax rate.

|  | <b>\$0 RRSP Contribution</b> | <b>\$3,000 RRSP Contribution</b> |
|--|------------------------------|----------------------------------|
| Taxable Income                           | \$30,000                     | \$30,000                         |
| Combined Federal and Provincial Tax Bill | \$7,800                      | \$7,020                          |
| Deferred Tax                             | \$0                          | \$780                            |

# RRSP Regulations - Contributions



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTE PAR

Deloitte.

## Your allowable RRSP contribution for the current year is the lower of:

- 18% of your earned income from the previous year, or
- The maximum annual contribution limit for the taxation year, or
- The remaining limit after any company sponsored pension plan contributions.

## Annual Contribution limits and deadline:

- There are contribution limits on RRSPs; to find out the exact amount you can contribute to your RRSP for the current year, check on your most recent the Notice of Assessment you received from Canada Revenue Agency.

## Carry Forwards

- If you can't make your maximum contribution one year, you can make up that portion of the contribution in later years by carrying it forward.



# RRSP Penalties/Home Buyer's Plan



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTE PAR

Deloitte.

## Over Contributing to Your Plan

- If you make an RRSP contribution beyond your maximum allowable amount for a year it is considered an over-contribution. There is a lifetime allowance of \$2,000 for over-contributions. These contributions must be used before any new contributions are applied.
- Generally, you have to pay a tax of 1% per month on your unused contributions that exceed your RRSP deduction limit by more than \$2,000

## Home Buyer's Plan

- The plan allows you and your spouse to each borrow up to \$25,000 from your RRSP to purchase your first home.
- The funds must have been on deposit at least 90 days before you withdrew them.
- After two years, at least 1/15 of the funds withdrawn must be repaid each year.



Investment income in a TFSA—whether you're earning interest, dividends or capital gains—are not taxed, even when withdrawn. This tax-free compound growth means that your money grows more quickly inside a TFSA than in a taxable account.

## Contributions

- The annual contribution limit is \$10,000 for 2015, \$5,500 for 2013 and 2014, and \$5,000 for the years 2009 to 2012.
- In addition, you can carry forward unused contribution room indefinitely. The federal government will report your TFSA contribution room to you annually.
- If you, at any time in a month, have an excess TFSA amount, you are liable to a tax of 1% on your highest excess TFSA amount in that month.

## Eligibility

- Any Canadian resident age 18 or older with a Social Insurance Number can open a Tax-Free Savings Account.

## Tax Benefits

- There is no tax deduction for contributing to a TFSA. However, the returns your investments generate (interest, dividends or capital gains) are not taxable (except for any foreign tax on foreign investments).
- Withdrawals are tax free.

## Withdrawals

- You can withdraw money from your account at any time, and can re-contribute the amounts anytime.



# RRSP vs. TFSA



GAME PLAN  
PLAN DE MATCH

PRESENTED BY | PRÉSENTÉ PAR

Deloitte.

## Questions/Discussion



TFSA or RRSP?



# Good vs. Bad debt



## What is Good Debt?



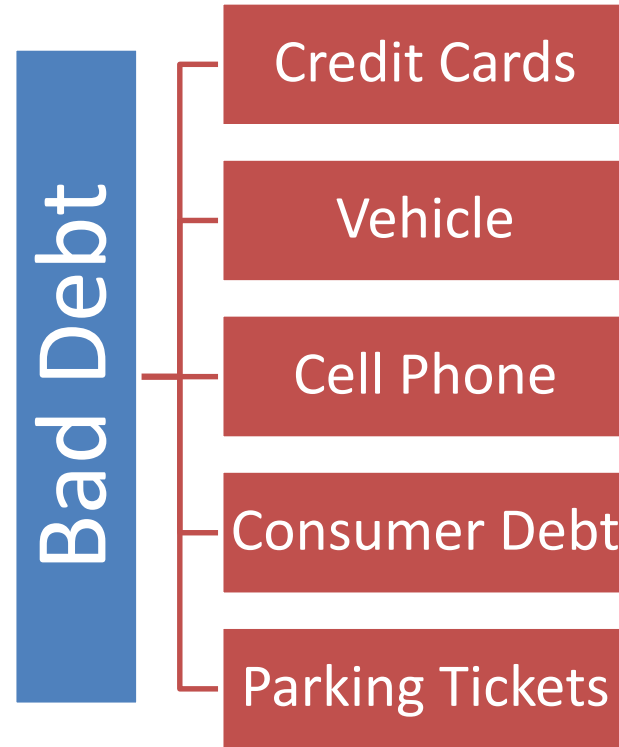
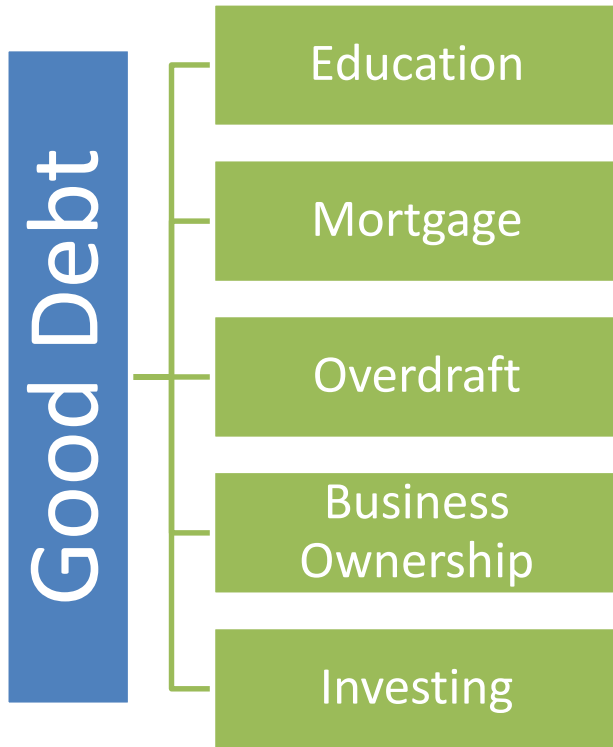
Used to buy assets that have the potential to appreciate in value (like investments and real estate) Interest on good debt may even be tax deductible

## What is Bad Debt?



Used to buy things with depreciating value (like furnishings, cars, clothes) or no residual value (like vacations). The worst kind of debt, as in department store credit, or consumer credit card debt, also carries high interest rates of non-tax deductible interest

# Good vs. Bad debt



# Paying Down Debt Ex.



## ➤ Paying down debt faster will:

- Lower interest cost
- Improve your credit score

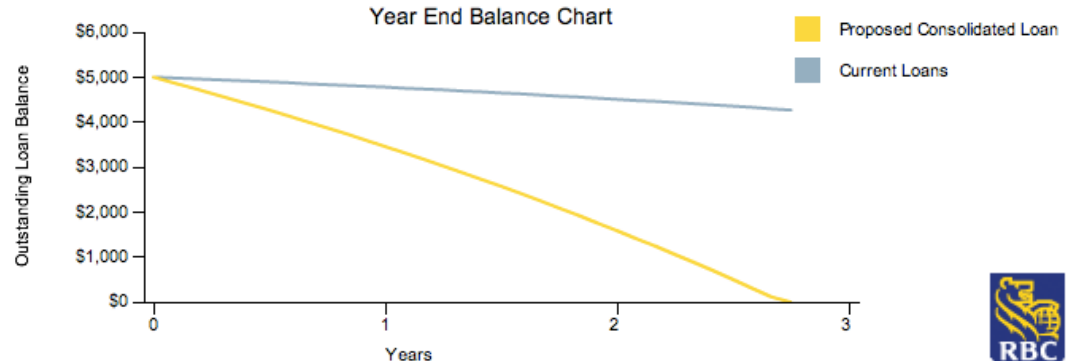
## ➤ Paying \$200 vs. \$100/month

- Cuts interest by \$1000
- Become debt free sooner

|                        | Current Payment Details          | Proposed Payment Details |
|------------------------|----------------------------------|--------------------------|
| Loan Amount            | \$ 5,000                         | \$ 5,000                 |
| Interest Rate          | 19.991 %(1)                      | 19.990 %                 |
| Monthly Payment Amount | \$ 100(2)                        | \$ 200                   |
| Time to Pay Off Debt   | greater than 2 years 9 months(4) | 2 years 9 months         |
| Total Interest Cost    | \$ 2,573                         | \$ 1,521                 |
| Remaining Loan Balance | <b>\$ 4,273</b>                  | <b>\$ 0</b>              |

Year End Balance Chart

Average Monthly Payment Chart<sup>(3)</sup>



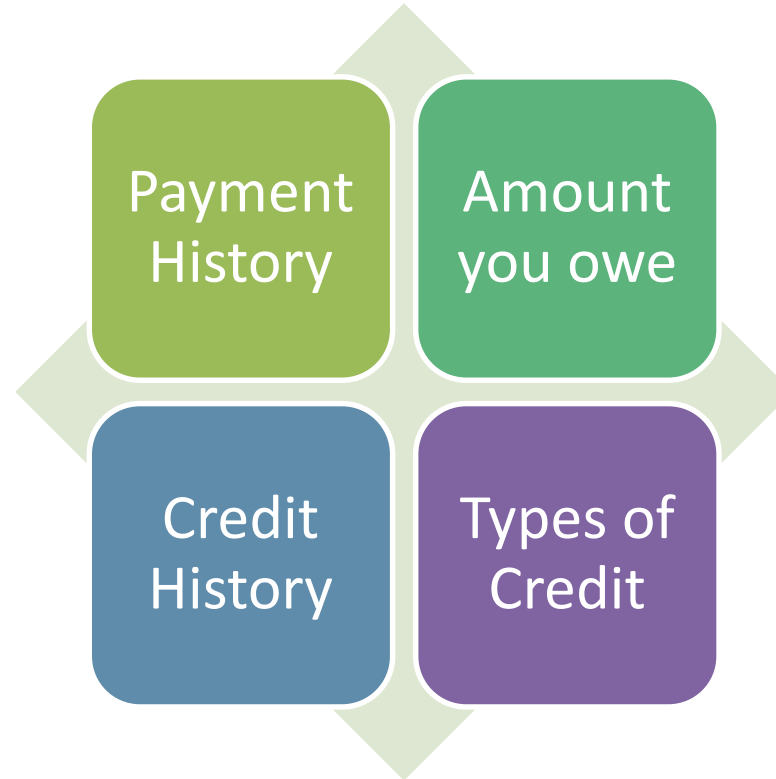
# Credit History



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY | PRÉSENTÉ PAR

Deloitte.

## How to build – and maintain – a STRONG credit history



# Smart Financing



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTÉ PAR

Deloitte.

## 5 STEPS TO FINANCIAL SUCCESS

- 1** Size up your debts
- 2** Understand your financial personality
- 3** Make a budget
- 4** Save for the future you want
- 5** Stay on track



# Other Ways to Save



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY / PRÉSENTÉ PAR

Deloitte.

1. **Pay yourself first**
2. **Automatic transfers**
3. **High interest savings accounts**
4. **Use tools to help you plan**
5. **10% is a good starting point**



# myFinanceTracker Tool



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTÉ PAR

**Deloitte.**

## myFinanceTracker makes managing your money easier than ever

- FREE with RBC Royal Bank® Online Banking
- Get a clear picture of how you're spending your money, with easy-to-read graphs and pie charts
- Track your expenses
- Create a budget in minutes
- Set up savings goals and keep track of your progress
- Create your own financial calendar to see when money is coming in and going out
- Set up budget alerts, so you know when you go over your budget or have a low balance





# myFinanceTracker Tool



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTÉ PAR

Deloitte.

## Introducing *myFinanceTracker* – Expense Tracking, Budgeting and Saving Made Easier

Explore Features **myFinanceTracker** FAQ

### View Screens

-  [Expense Analysis](#)
-  [Transactions](#)
-  [Manage Budget](#)
-  [Budget vs. Spending](#)
-  [Financial Calendar](#)

**myFinanceTracker**

Select Group: All Groups | Select | Filter | Refresh | Add Transaction | Go

**My Expense Tracking Summary**



| Expense Category    | % of Annual Budget (\$) |
|---------------------|-------------------------|
| Provision           | 10.0%                   |
| IT                  | 10.0%                   |
| General Maintenance | 10.0%                   |
| Utilities           | 10.0%                   |
| Marketing Budget    | 10.0%                   |
| Business Changeover | 10.0%                   |
| Capital Expenditure | 10.0%                   |
| Travel              | 10.0%                   |
| Personal Care       | 10.0%                   |
| Healthcare          | 10.0%                   |
| Other               | 10.0%                   |
| <b>Total</b>        | <b>100.0%</b>           |

Link: [RBC] Home | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 | 2101 | 2102 | 2103 | 2104 | 2105 | 2106 | 2107 | 2108 | 2109 | 2110 | 2111 | 2112 | 2113 | 2114 | 2115 | 2116 | 2117 | 2118 | 2119 | 2120 | 2121 | 2122 | 2123 | 2124 | 2125 | 2126 | 2127 | 2128 | 2129 | 2130 | 2131 | 2132 | 2133 | 2134 | 2135 | 2136 | 2137 | 2138 | 2139 | 2140 | 2141 | 2142 | 2143 | 2144 | 2145 | 2146 | 2147 | 2148 | 2149 | 2150 | 2151 | 2152 | 2153 | 2154 | 2155 | 2156 | 2157 | 2158 | 2159 | 2160 | 2161 | 2162 | 2163 | 2164 | 2165 | 2166 | 2167 | 2168 | 2169 | 2170 | 2171 | 2172 | 2173 | 2174 | 2175 | 2176 | 2177 | 2178 | 2179 | 2180 | 2181 | 2182 | 2183 | 2184 | 2185 | 2186 | 2187 | 2188 | 2189 | 2190 | 2191 | 2192 | 2193 | 2194 | 2195 | 2196 | 2197 | 2198 | 2199 | 2200 | 2201 | 2202 | 2203 | 2204 | 2205 | 2206 | 2207 | 2208 | 2209 | 2210 | 2211 | 2212 | 2213 | 2214 | 2215 | 2216 | 2217 | 2218 | 2219 | 2220 | 2221 | 2222 | 2223 | 2224 | 2225 | 2226 | 2227 | 2228 | 2229 | 2230 | 2231 | 2232 | 2233 | 2234 | 2235 | 2236 | 2237 | 2238 | 2239 | 2240 | 2241 | 2242 | 2243 | 2244 | 2245 | 2246 | 2247 | 2248 | 2249 | 2250 | 2251 | 2252 | 2253 | 2254 | 2255 | 2256 | 2257 | 2258 | 2259 | 2260 | 2261 | 2262 | 2263 | 2264 | 2265 | 2266 | 2267 | 2268 | 2269 | 2270 | 2271 | 2272 | 2273 | 2274 | 2275 | 2276 | 2277 | 2278 | 2279 | 2280 | 2281 | 2282 | 2283 | 2284 | 2285 | 2286 | 2287 | 2288 | 2289 | 2290 | 2291 | 2292 | 2293 | 2294 | 2295 | 2296 | 2297 | 2298 | 2299 | 2300 | 2301 | 2302 | 2303 | 2304 | 2305 | 2306 | 2307 | 2308 | 2309 | 2310 | 2311 | 2312 | 2313 | 2314 | 2315 | 2316 | 2317 | 2318 | 2319 | 2320 | 2321 | 2322 | 2323 | 2324 | 2325 | 2326 | 2327 | 2328 | 2329 | 2330 | 2331 | 2332 | 2333 | 2334 | 2335 | 2336 | 2337 | 2338 | 2339 | 2340 | 2341 | 2342 | 2343 | 2344 | 2345 | 2346 | 2347 | 2348 | 2349 | 2350 | 2351 | 2352 | 2353 | 2354 | 2355 | 2356 | 2357 | 2358 | 2359 | 2360 | 2361 | 2362 | 2363 | 2364 | 2365 | 2366 | 2367 | 2368 | 2369 | 2370 | 2371 | 2372 | 2373 | 2374 | 2375 | 2376 | 2377 | 2378 | 2379 | 2380 | 2381 | 2382 | 2383 | 2384 | 2385 | 2386 | 2387 | 2388 | 2389 | 2390 | 2391 | 2392 | 2393 | 2394 | 2395 | 2396 | 2397 | 2398 | 2399 | 2400 | 2401 | 2402 | 2403 | 2404 | 2405 | 2406 | 2407 | 2408 | 2409 | 2410 | 2411 | 2412 | 2413 | 2414 | 2415 | 2416 | 2417 | 2418 | 2419 | 2420 | 2421 | 2422 | 2423 | 2424 | 2425 | 2426 | 2427 | 2428 | 2429 | 2430 | 2431 | 2432 | 2433 | 2434 | 2435 | 2436 | 2437 | 2438 | 2439 | 2440 | 2441 | 2442 | 2443 | 2444 | 2445 | 2446 | 2447 | 2448 | 2449 | 2450 | 2451 | 2452 | 2453 | 2454 | 2455 | 2456 | 2457 | 2458 | 2459 | 2460 | 2461 | 2462 | 2463 | 2464 | 2465 | 2466 | 2467 | 2468 | 2469 | 2470 | 2471 | 2472 | 2473 | 2474 | 2475 | 2476 | 2477 | 2478 | 2479 | 2480 | 2481 | 2482 | 2483 | 2484 | 2485 | 2486 | 2487 | 2488 | 2489 | 2490 | 2491 | 2492 | 2493 | 2494 | 2495 | 2496 | 2497 | 2498 | 2499 | 2500 | 2501 | 2502 | 2503 | 2504 | 2505 | 2506 | 2507 | 2508 | 2509 | 2510 | 2511 | 2512 | 2513 | 2514 | 2515 | 2516 | 2517 | 2518 | 2519 | 2520 | 2521 | 2522 | 2523 | 2524 | 2525 | 2526 | 2527 | 2528 | 2529 | 2530 | 2531 | 2532 | 2533 | 2534 | 2535 | 2536 | 2537 | 2538 | 2539 | 2540 | 2541 | 2542 | 2543 | 2544 | 2545 | 2546 | 2547 | 2548 | 2549 | 2550 | 2551 | 2552 | 2553 | 2554 | 2555 | 2556 | 2557 | 2558 | 2559 | 2560 | 2561 | 2562 | 2563 | 2564 | 2565 | 2566 | 2567 | 2568 | 2569 | 2570 | 2571 | 2572 | 2573 | 2574 | 2575 | 2576 | 2577 | 2578 | 2579 | 2580 | 2581 | 2582 | 2583 | 2584 | 2585 | 2586 | 2587 | 2588 | 2589 | 2590 | 2591 | 2592 | 2593 | 2594 | 2595 | 2596 | 2597 | 2598 | 2599 | 2600 | 2601 | 2602 | 2603 | 2604 | 2605 | 2606 | 2607 | 2608 | 2609 | 2610 | 2611 | 2612 | 2613 | 2614 | 2615 | 2616 | 2617 | 2618 | 2619 | 2620 | 2621 | 2622 | 2623 | 2624 | 2625 | 2626 | 2627 | 2628 | 2629 | 2630 | 2631 | 2632 | 2633 | 2634 | 2635 | 2636 | 2637 | 2638 | 2639 | 2640 | 2641 | 2642 | 2643 | 2644 | 2645 | 2646 | 2647 | 2648 | 2649 | 2650 | 2651 | 2652 | 2653 | 2654 | 2655 | 2656 | 2657 | 2658 | 2659 | 2660 | 2661 | 2662 | 2663 | 2664 | 2665 | 2666 | 2667 | 2668 | 2669 | 2670 | 2671 | 2672 | 2673 | 2674 | 2675 | 2676 | 2677 | 2678 | 2679 | 2680 | 2681 | 2682 | 2683 | 2684 | 2685 | 2686 | 2687 | 2688 | 2689 | 2690 | 2691 | 2692 | 2693 | 2694 | 2695 | 2696 | 2697 | 2698 | 2699 | 2700 | 2701 | 2702 | 2703 | 2704 | 2705 | 2706 | 2707 | 2708 | 2709 | 2710 | 2711 | 2712 | 2713 | 2714 | 2715 | 2716 | 2717 | 2718 | 2719 | 2720 | 2721 | 2722 | 2723 | 2724 | 2725 | 2726 | 2727 | 2728 | 2729 | 2730 | 2731 | 2732 | 2733 | 2734 | 2735 | 2736 | 2737 | 2738 | 2739 | 2740 | 2741 | 2742 | 2743 | 2744 | 2745 | 2746 | 2747 | 2748 | 2749 | 2750 | 2751 | 2752 | 2753 | 2754 | 2755 | 2756 | 2757 | 2758 | 2759 | 2760 | 2761 | 2762 | 2763 | 2764 | 2765 | 2766 | 2767 | 2768 | 2769 | 2770 | 2771 | 2772 | 2773 | 2774 | 2775 | 2776 | 2777 | 2778 | 2779 | 2780 | 2781 | 2782 | 2783 | 2784 | 2785 | 2786 | 2787 | 2788 | 2789 | 2790 | 2791 | 2792 | 2793 | 2794 | 2795 | 2796 | 2797 | 2798 | 2799 | 2800 | 2801 | 2802 | 2803 | 2804 | 2805 | 2806 | 2807 | 2808 | 2809 | 2810 | 2811 | 2812 | 2813 | 2814 | 2815 | 2816 | 2817 | 2818 | 2819 | 2820 | 2821 | 2822 | 2823 | 2824 | 2825 | 2826 | 2827 | 2828 | 2829 | 2830 | 2831 | 2832 | 2833 | 2834 | 2835 | 2836 | 2837 | 2838 | 2839 | 2840 | 2841 | 2842 | 2843 | 2844 | 2845 | 2846 | 2847 | 2848 | 2849 | 2850 | 2851 | 2852 | 2853 | 2854 | 2855 | 2856 | 2857 | 2858 | 2859 | 2860 | 2861 | 2862 | 2863 | 2864 | 2865 | 2866 | 2867 | 2868 | 2869 | 2870 | 2871 | 2872 | 2873 | 2874 | 2875 | 2876 | 2877 | 2878 | 2879 | 2880 | 2881 | 2882 | 2883 | 2884 | 2885 | 2886 | 2887 | 2888 | 2889 | 2890 | 2891 | 2892 | 2893 | 2894 | 2895 | 2896 | 2897 | 2898 | 2899 | 2900 | 2901 | 2902 | 2903 | 2904 | 2905 | 2906 | 2907 | 2908 | 2909 | 2910 | 2911 | 2912 | 2913 | 2914 | 2915 | 2916 | 2917 | 2918 | 2919 | 2920 | 2921 | 2922 | 2923 | 2924 | 2925 | 2926 | 2927 | 2928 | 2929 | 2930 | 2931 | 2932 | 2933 | 2934 | 2935 | 2936 | 2937 | 2938 | 2939 | 2940 | 2941 | 2942 | 2943 | 2944 | 2945 | 2946 | 2947 | 2948 | 2949 | 2950 | 2951 | 2952 | 2953 | 2954 | 2955 | 2956 | 2957 | 2958 | 2959 | 2960 | 2961 | 2962 | 2963 | 2964 | 2965 | 2966 | 2967 | 2968 | 2969 | 2970 | 2971 | 2972 | 2973 | 2974 | 2975 | 2976 | 2977 | 2978 | 2979 | 2980 | 2981 | 2982 | 2983 | 2984 | 2985 | 2986 | 2987 | 2988 | 2989 | 2990 | 2991 | 2992 | 2993 | 2994 | 2995 | 2996 | 2997 | 2998 | 2999 | 3000 | 3001 | 3002 | 3003 | 3004 | 3005 | 3006 | 3007 | 3008 | 3009 | 3010 | 3011 | 3012 | 3013 | 3014 | 3015 | 3016 | 3017 | 3018 | 3019 | 3020 | 3021 | 3022 | 3023 | 3024 | 3025 | 3026 | 3027 | 3028 | 3029 | 3030 | 3031 | 3032 | 3033 | 3034 | 3035 | 3036 | 3037 | 3038 | 3039 | 3040 | 3041 | 3042 | 3043 | 3044 | 3045 | 3046 | 3047 | 3048 | 3049 | 3050 | 3051 | 3052 | 3053 | 3054 | 3055 | 3056 | 3057 | 3058 | 3059 | 3060 | 3061 | 3062 | 3063 | 3064 | 3065 | 3066 | 3067 | 3068 | 3069 | 3070 | 3071 | 3072 | 3073 | 3074 | 3075 | 3076 | 3077 | 3078 | 3079 | 3080 | 3081 | 3082 | 3083 | 3084 | 3085 | 3086 | 3087 | 3088 | 3089 | 3090 | 3091 | 3092 | 3093 | 3094 | 3095 | 3096 | 3097 | 3098 | 3099 | 3100 | 3101 | 3102 | 3103 | 3104 | 3105 | 3106 | 3107 | 3108 | 3109 | 3110 | 3111 | 3112 | 3113 | 3114 | 3115 | 3116 | 3117 | 3118 | 3119 | 3120 | 3121 | 3122 | 3123 | 3124 | 3125 | 3126 | 3127 | 3128 | 3129 | 3130 | 3131 | 3132 | 3133 | 3134 | 3135 | 3136 | 3137 | 3138 | 3139 | 3140 | 3141 | 3142 | 3143 | 3144 | 3145 | 3146 | 3147 | 3148 | 3149 | 3150 | 3151 | 3152 | 3153 | 3154 | 3155 | 3156 | 3157 | 3158 | 3159 | 3160 | 3161 | 3162 | 3163 | 3164 | 3165 | 3166 | 3167 | 3168 | 3169 | 3170 | 3171 | 3172 | 3173 | 3174 | 3175 | 3176 | 3177 | 3178 | 3179 | 3180 | 3181 | 3182 | 3183 | 3184 | 3185 | 3186 | 3187 | 3188 | 3189 | 3190 | 3191 | 3192 | 3193 | 3194 | 3195 | 3196 | 3197 | 3198 | 3199 | 3200 | 3201 | 3202 | 3203 | 3204 | 3205 | 3206 | 3207 | 3208 | 3209 | 3210 | 3211 | 3212 | 3213 | 3214 | 3215 | 3216 | 3217 | 3218 | 3219 | 3220 | 3221 | 3222 | 3223 | 3224 | 3225 | 3226 | 3227 | 3228 | 3229 | 3230 | 3231 | 3232 | 3233 | 3234 | 3235 | 3236 | 3237 | 3238 | 3239 | 3240 | 3241 | 3242 | 3243 | 3244 | 3245 | 3246 | 3247 | 3248 | 3249 | 3250 | 3251 | 3252 | 3253 | 3254 | 3255 | 3256 | 3257 | 3258 | 3259 | 3260 | 3261 | 3262 | 3263 | 3264 | 3265 | 3266 | 3267 | 3268 | 3269 | 3270 | 3271 | 3272 | 3273 | 3274 | 3275 | 3276 | 3277 | 3278 | 3279 | 3280 | 3281 | 3282 | 3283 | 3284 | 3285 | 3286 | 3287 | 3288 | 3289 | 3290 | 3291 | 3292 | 3293 | 3294 | 3295 | 3296 | 3297 | 3298 | 3299 | 3300 | 3301 | 3302 | 3303 | 3304 | 3305 | 3306 | 3307 | 3308 | 3309 | 3310 | 3311 | 3312 | 3313 | 3314 | 3315 | 3316 | 3317 | 3318 | 3319 | 3320 | 3321 | 3322 | 3323 | 3324 | 3325 | 3326 | 3327 | 3328 | 3329 | 3330 | 3331 | 3332 | 3333 | 3334 | 3335 | 3336 | 3337 | 3338 | 3339 | 3340 | 3341 | 3342 | 3343 | 3344 | 3345 | 3346 | 3347 | 3348 | 3349 | 3350 | 3351 | 3352 | 3353 | 3354 | 3355 | 3356 | 3357 | 3358 | 3359 | 3360 | 3361 | 3362 | 3363 | 3364 | 3365 | 3366 | 3367 | 3368 | 3369 | 3370 | 3371 | 3372 | 3373 | 3374 | 3375 | 3376 | 3377 | 3378 | 3379 | 3380 | 3381 | 3382 | 3383 | 3384 | 3385 | 3386 | 3387 | 3388 | 3389 | 3390 | 3391 | 3392 | 3393 | 3394 | 3395 | 3396 | 3397 | 3398 | 3399 | 3400 | 3401 | 3402 | 3403 | 3404 | 3405 | 3406 | 3407 | 3408 | 3409 | 3410 | 3411 | 3412 | 3413 | 3414 | 3415 | 3416 | 3417 | 3418 | 3419 | 3420 | 3421 | 3422 | 3423 | 3424 | 3425 | 3426 | 3427 | 3428 | 3429 | 3430 | 3431 | 3432 | 3433 | 3434 | 3435 | 3436 | 3437 | 3438 | 3439 | 3440 | 3441 | 3442 | 3443 | 3444 | 3445 | 3446 | 3447 | 3448 | 3449 | 3450 | 3451 | 3452 | 3453 | 3454 | 3455 | 3456 | 3457 | 3458 | 3459 | 3460 | 3461 | 3462 | 3463 | 3464 | 3465 | 3466 | 3467 | 3468 | 3469 | 3470 | 3471 | 3472 | 3473 | 3474 | 3475 | 3476 | 3477 | 3478 | 3479 | 3480 | 3481 | 3482 | 3483 | 3484 | 3485 | 3486 | 3487 | 3488 | 3489 | 3490 | 3491 | 3492 | 3493 | 3494 | 3495 | 3496 | 3497 | 3498 | 3499 | 3500 | 3501 | 3502 | 3503 | 3504 | 3505 | 3506 | 3507 | 3508 | 3509 | 3510 | 3511 | 3512 | 3513 | 3514 | 3515 | 3516 | 3517 | 3518 | 3519 | 3520 | 3521 | 3522 | 3523 | 3524 | 3525 | 3526 | 3527 | 3528 | 3529 | 3530 | 3531 | 3532 | 3533 | 3534 | 3535 | 3536 | 3537 | 3538 | 3539 | 3540 | 3541 | 3542 | 3543 | 3544 | 3545 | 3546 | 3547 | 3548 | 3549 | 3550 | 3551 | 3552 | 3553 | 3554 | 3555 | 3556 | 3557 | 3558 | 3559 | 3560 | 3561 | 3562 | 3563 | 3564 | 3565 | 3566 | 3567 | 3568 | 3569 | 3570 | 3571 | 3572 | 3573 | 3574 | 3575 | 3576 | 3577 | 3578 | 3579 | 3580 | 3581 | 3582 | 3583 | 3584 | 3585 | 3586 | 3587 | 3588 | 3589 | 3590 | 3591 | 3592 | 3593 | 3594 | 3595 | 3596 | 3597 | 3598 | 3599 | 3600 | 3601 | 3602 | 3603 | 3604 | 3605 | 3606 | 3607 | 3608 | 3609 | 3610 | 3611 | 3612 | 3613 | 3614 | 3615 | 3616 | 3617 | 3618 | 3619 | 3620 | 3621 | 3622 | 3623 | 3624 | 3625 | 3626 | 3627 | 3628 | 3629 | 3630 | 3631 | 3632 | 3633 | 3634 | 3635 | 3636 | 3637 | 3638 | 3639 | 3640 | 3641 | 3642 | 3643 | 3644 | 3645 | 3646 | 3647 | 3648 | 3649 | 3650 | 3651 | 3652 | 3653 | 3654 | 3655 | 3656 | 3657 | 3658 | 3659 | 3660 | 3661 | 3662 | 3663 | 3664 | 3665 | 3666 | 3667 | 3668 | 3669 | 3670 | 3671 | 3672 | 3673 | 3674 | 3675 | 3676 | 3677 | 3678 | 3679 | 3680 | 3681 | 3682 | 3683 | 3684 | 3685 | 3686 | 3687 | 3688 | 3689 | 3690 | 3691 | 3692 | 3693 | 3694 | 3695 | 3696 | 3697 | 3698 | 3699 | 3700 | 3701 | 3702 | 3703 | 3704 | 3705 | 3706 | 3707 | 3708 | 3709 | 3710 | 3711 | 3712 | 3713 | 3714 | 3715 | 3716 | 3717 | 3718 | 3719 | 3720 | 3721 | 3722 | 3723 | 3724 | 3725 | 3726 | 3727 | 3728 | 3729 | 3730 | 3731 | 3732 | 3733 | 3734 | 3735 | 3736 | 3737 | 3738 | 3739 | 3740 | 3741 | 3742 | 3743 | 3744 | 3745 | 3746 | 3747 | 3748 | 3749 | 3750 | 3751 | 3752 | 3753 | 3754 | 3755 | 3756 | 3757 | 3758 | 3759 | 3760 | 3761 | 3762 | 3763 | 3764 | 3765 | 3766 | 3767 | 3768 | 3769 | 3770 | 3771 | 3772 | 3773 | 3774 | 3775 | 3776 | 3777 | 3778 | 3779 | 3780 | 3781 | 3782 | 3783 | 3784 | 3785 | 3786 | 3787 | 3788 | 3789 | 3790 | 3791 | 3792 | 3793 | 3794 | 3795 | 3796 | 3797 | 3798 | 3799 | 3800 | 3801 | 3802 | 3803 | 3804 | 3805 | 3806 | 3807 | 3808 | 3809 | 3810 | 3811 | 3812 | 3813 | 3814 | 3815 | 3816 | 3817 | 3818 | 3819 | 3820 | 3821 | 3822 | 3823 | 3824 | 3825 | 3826 | 3827 | 3828 | 3829 | 3830 | 3831 | 3832 | 3833 | 3834 | 3835 | 3836 | 3837 | 3838 | 3839 | 3840 | 3841 | 3842 | 3843 | 3844 | 3845 | 3846 | 3847 | 3848 | 3849 | 3850 | 3851 | 3852 | 3853 | 3854 | 3855 | 3856 | 3857 | 3858 | 3859 | 3860 | 3861 | 3862 | 3863 | 3864 | 3865 | 3866 | 3867 | 3868 | 3869 | 3870 | 3871 | 3872 | 3873 | 3874 | 3875 | 3876 | 3877 | 3878 | 3879 | 3880 | 3881 | 3882 | 3883 | 3884 | 3885 | 3886 | 3887 | 3888 | 3889 | 3890 | 3891 | 3892 | 3893 | 3894 | 3895 | 3896 | 3897 | 3898 | 3899 | 3900 | 3901 | 3902 | 3903 | 3904 | 3905 | 3906 | 3907 | 3908 | 3909 | 3910 | 3911 | 3912 | 3913 | 3914 | 3915 | 3916 | 3917 | 3918 | 3919 | 3920 | 3921 | 3922 | 3923 | 3924 | 3925 | 3926 | 3927 | 3928 | 3929 | 3930 |

# Call to action



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTE PAR

Deloitte.

- If you have a banking advisor book an appointment for a financial review
- If you don't have a banking advisor Andrea would be happy to meet with you, or assist you in booking an appointment with one of my colleagues in a location that is best for you
- How often should I meet with a banker to review everything:
  - Every 6 months to maximum 1 year
- When something big changes in your life (new sponsorship, retirement, getting married, having a baby)



# Contact Information:



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY / PRÉSENTÉ PAR

**Deloitte.**

Scott Dickens:

[Scott.dickens@rbc.com](mailto:Scott.dickens@rbc.com)

Andrea Holmes:

[Andrea.holmes@rbc.com](mailto:Andrea.holmes@rbc.com)





# GAME PLAN PLAN DE MATCH

PRESENTED BY | PRÉSENTÉ PAR

**Deloitte.**

## What is an RRSP?

- An RRSP is a personal savings plan that allows you to save for the future on a tax-sheltered basis.
- An RRSP is an investment portfolio - your designated retirement savings. It can contain a variety of investments including: RRSP savings deposits, treasury bills, guaranteed investment certificates (GICs), mutual funds, bonds, and even equities.
- Every individual who works, files a Canadian income tax return
- Able to assign a beneficiary to your RRSP

## Benefits of RRSPs

- By contributing to an RRSP throughout your working career, you'll realize immediate tax benefits at a time when your income is generally highest. The total amount of your annual contribution can be deducted from your gross income at tax time, reducing the amount you pay in income tax that year.
- The income earned in your RRSP is not taxed until it is withdrawn.
- By the time you begin to withdraw the funds at retirement, you will probably be in a lower tax bracket than during your earning years.

# RRSP Regulations - Contributions



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTÉ PAR

Deloitte.

## Your allowable RRSP contribution for the current year is the lower of:

- 18% of your earned income from the previous year, or
- The maximum annual contribution limit for the taxation year, or
- The remaining limit after any company sponsored pension plan contributions.

## Annual Contribution limits and deadline:

- There are contribution limits on RRSPs; to find out the exact amount you can contribute to your RRSP for the current year, check on your most recent the Notice of Assessment you received from Canada Revenue Agency.
- You may contribute to your RRSP until December 31 of the year in which you reach age 71. The following limits and deadlines apply annually.
- To be eligible for an RRSP deduction in a specific taxation year, you can make contributions anytime during the year, or up to 60 days into the following year.



# RRSP Regulations - Contributions



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTE PAR

Deloitte.

## Carry Forwards

- If you can't make your maximum contribution one year, you can make up that portion of the contribution in later years by carrying it forward. The amount of your unused contribution limit is shown on your federal Notice of Assessment.

## Over Contributing to Your Plan

- If you make an RRSP contribution beyond your maximum allowable amount for a year it is considered an over-contribution. There is a lifetime allowance of \$2,000 for over-contributions. These contributions must be used before any new contributions are applied.
- Generally, you have to pay a tax of 1% per month on your unused contributions that exceed your RRSP deduction limit by more than \$2,000





## Who should have an RRSP?

- People who earn income through their employment or self-employment, can reduce their annual tax bill while saving for their future through an RRSP.
- Married couples where one spouse earns more income than the other can reduce their combined tax burden through a spousal RRSP. At retirement, an income-splitting strategy can be applied to reduce overall tax when the funds are withdrawn.
- If you are planning on purchasing your first home or are interested in continuing your education, you can contribute to your RRSP, then use these funds as a source of financing.
- If you anticipate fluctuations in your income due to maternity leave, career change or employment interruptions, the funds in an RRSP are always available to you.

## Home Buyer's Plan

- The plan allows you to borrow funds from your RRSP to purchase your first home.
- You and your spouse can each withdraw up to \$25,000 from your RRSP.
- The funds must have been on deposit at least 90 days before you withdrew them.
- After two years, at least 1/15 of the funds withdrawn must be repaid each year.
- A signed agreement to buy or build a qualifying home is required.
- You can only participate in the program once.

# RRSP Regulations - Taxes



GAME PLAN  
PLAN DE MATCH  
PRESENTED BY PRÉSENTÉ PAR

Deloitte.

## Withholding Taxes

- Funds withdrawn from an RRSP will be charged withholding taxes. This amount must be held back by the plan administrator and remitted to the government on your behalf.
- Effective January 1, 2005, the following withholding tax rates apply:

| Amount of RRSP Withdrawal   | All Provinces Except Quebec | Quebec |
|-----------------------------|-----------------------------|--------|
| Up to and including \$5,000 | 10%                         | 21%    |
| \$5,000.01 to \$15,000      | 20%                         | 26%    |
| More than \$15,000          | 30%                         | 31%    |

- You will receive a T4 RRSP receipt for any funds withdrawn during the year showing the amount to be included in your taxable income and the credit for the withholding tax.



## Lifelong Learning Plan:

- The plan allows you to pay for training or education with RRSP funds.
- You can withdraw up to \$10,000 per calendar year to finance full-time training or post-secondary education.
- The student can be you or your spouse, but not your children.
- The total amount that can be withdrawn is \$20,000 over a max of four consecutive years.
- Amounts that are withdrawn are not subject to taxes on withdrawal.
- At least 10% of the amount must be repaid each year, over a max 10 year period.

## Eligibility

- Any Canadian resident age 18 or older with a Social Insurance Number can open a Tax-Free Savings Account.
- **Note:** The age of majority is 19 for residents of NFL, NB, NS, BC, NWT, YK and Nunavut, which may delay the opening of a TFSA. However, the accumulation of contribution room will start at age 18.

## Tax Benefits

- There is no tax deduction for contributing to a TFSA. However, the returns your investments generate (interest, dividends or capital gains) are not taxable (except for any foreign tax on foreign investments).
- Withdrawals are tax free.
- Able to assign a beneficiary to your TFSA

## Withdrawals

- You can withdraw money from your account at any time, (depending on what you invested in).
- In addition, you can re-contribute the amounts you withdrew anytime after the year of withdrawal.
- **For example:**
  - Jan 2013: You contribute \$5,500
  - July 2013: You withdraw \$2,000
  - 2014 TFSA allowable contribution = \$7,500
  - (\$5,500 annual allowable for 2014 + \$2,000 re-contribution. This assumes that you have maximized your annual allowable contribution for all previous years)

## Investment Options

- You can hold a range of investments such as Mutual Funds, GIC's, Savings Deposits, Stocks, ETF's and Bonds.