

# the TEUCU connector

September 2008



toronto  
electrical  
utilities  
credit union

## Tax Free Savings Accounts at TEUCU?

On June 18, 2008, the Government of Canada approved legislation to introduce a ground-breaking Tax-Free Savings Account (TFSA) in 2009. The Tax-Free Savings Account also known as TFSA will allow you to save or invest money without paying tax on the income its earns and you can also withdraw it tax free.

Features of this new registered product are:

- Available to Canadian residents age 18 and older with a valid SIN number
- There is no maximum age for contribution
- Unlike an RRSP, contributions to the TFSA will not be tax deductible
- Contributions may only be made by the owner
- Income earned and capital gains under a TFSA will be tax sheltered
- Withdrawal of contributions and/or income will not be subject to tax
- Maximum contribution limit for 2009 will be \$5,000. The amount will increase in the future to take inflation into account
- The \$5,000 per year limit is in addition to any RRSP contribution limit you may have
- Unused contribution room will be carried forward indefinitely.
- The amount withdrawn from a TFSA (capital and income), can be put back at a later date, without reducing your contribution room
- Unused contribution room will be reported to you on your annual CRA Notice of Assessment
- TFSA Savings may be used for security of a loan
- Members may hold more than one registered TFSA account provided that contribution limits per owner are not exceeded
- Over-contributions will be subject to tax of 1% per month under the date of withdrawal
- The TFSA may be designated to a beneficiary
- TFSA will not affect your eligibility for federal income-related benefits, such as the Canada Child Tax Credit and the Guaranteed Income Supplement
- You will have the option to transfer your TFSA assets to your spouse or common-law partner upon death without any impact on the survivors existing contribution room.

TEUCU is preparing to offer the Tax-Free Saving Account (TFSA) to you in 2009. Check our website ([www.teucu.com](http://www.teucu.com)) often for more details and if you have any questions please do not hesitate to call 416-542-2522.

*Note: The content herein is not intended to provide specific tax advice and should not be relied upon in this regard. Please consult your tax advisor to find out which strategies best suit your tax situation. The Toronto Electrical Utilities Credit Union Limited makes no guarantee, representation, or warranty and accepts no responsibility or liability as to the tax treatment of those services.*



TEUCU would like to let our members know that those of you who invested in the series of Index- Linked deposits that matured in September are going

to be very happy! TEUCU was just informed that the return on this series over 3 years is **20.92%**! Index-Linked term deposits and RRSPs allow you to invest in the stock market without risk to the principle investment. If you have any questions please call our at 416-542-2522.

### TEUCU ECO-TIP

Here's a tip on how you can exercise your Power as an environmentally concerned consumer: avoid single-serving and multi-pack food items. Their excessive packaging is extremely wasteful. Buy food in bulk and store it in re-sealable containers. And of course, bring your own reusable bag to carry home your groceries.

## Staff

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**A serving of TEUCU Mixed Greens is good for you and good for the environment!**

Here's what's on our new menu:

**Combo #1** – Buy an energy efficient home and finance your mortgage through TEUCU and get the following side dishes for free!

A .25% rate discount  
An environmentally friendly reusable bag  
Possible 10% rebate of your CMHC Premium

**Combo #2** – Make energy efficient home improvements financed through TEUCU, and sign up for e-statements and you will receive the following side orders free!

A .25% rate discount  
An environmentally friendly reusable thermal cup  
Possible 10% rebate of your CMHC Premium

**Combo #3** – Get a loan for an environmentally friendly product for your home and sign up for e-statements and get the following side dishes for free!

A .25% rate discount  
A battery-free, rechargeable flashlight

**Combo #4** – Get a TEUCU BioIncredible Loan when you choose to purchase a vehicle that has been recommended by Transport Canada's ecoAUTO Rebate Program Flex Fuel program and sign up for e-statements and you will receive the following side dishes for free!

A .25% rate discount  
A battery-free, rechargeable flashlight  
A possible rebate from Transport Canada

Chef's note\*  
Limited time offer. Some restrictions apply.  
Please call 416-542-2522 for more information.

## Perfect Fit Mortgage Special

**You choose your perfect fit!**

**3-year - 5.74%**

**4-year - 5.74%**

**5-year - 5.80%**

Offer available for new money only.  
Limited Time Only  
Some restrictions apply.

Many people never stop to realize that a tree is a living thing, not that different from a tall, leafy dog that has roots and is very quiet.

-Jack Handy

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