

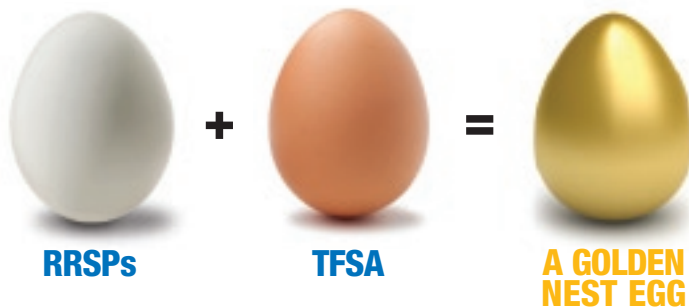


TAKING CARE OF OUR OWN

# PASS IT ON

Hot Tips and More from Your Credit Union

Winter 2010



## TAX-SHELTERED SAVINGS ADD UP.

### Shelter your income and protect your earnings.

If the economic downturn has taught us anything, it's to be properly prepared for the unexpected. That's why more and more members are partnering their **Registered Retirement Savings Plan (RRSP)** with a **Tax Free Savings Account (TFSA)**. They know it's a great way to increase their tax-sheltered earning power. Each provides tax-free benefits that are different yet complementary, whether you're saving for your retirement or have more immediate goals. Put them together, and it's a win-win situation for members of all income levels.

**AOL Money Canada calls RRSPs "an instrument with obvious and potentially huge advantages."** If you haven't already set up or topped up your RRSP, now's the time to do it. You want your retirement savings to enjoy healthy growth, and to be reliable regardless of whether the economy goes up, down or sideways. RRSP contributions are tax deductible and all of the interest you earn is sheltered from taxes. You can choose investment options that include daily interest savings, term deposits, and mutual funds\*. You can arrange a contribution schedule that you can comfortably afford. It's quick and easy to apply online or in person, and low-rate RRSP Loans are available.

**The Financial Post refers to TFSAs as "flexibility to fit all life's stages."** Like RRSPs, a TFSA is a secure way to fortify your long-term financial goals. But it's also designed to help you earn tax free income for something you want sooner rather than later, including home purchases, renovations,

travel, life changes, a new vehicle; whatever you have in mind. Income earned in a TFSA – whether interest, dividends or capital gains – is not taxable. Although you must be 18 years old to open a TFSA, there is no upper age limit restriction. Generally, RRSP-eligible investments such as mutual funds, term deposits, savings accounts and publicly traded securities\* can be held in a TFSA. TFSAs are particularly advantageous to members who have maximized their RRSP contributions and want to shelter more of their income from taxes and those who are no longer eligible to contribute to an RRSP.

Talk to your Member Service Officer about the many benefits of partnering your RRSPs with a Tax Free Savings Account. They make an unbeatable team when it comes to reducing your taxes and saving up for a rainy day, a rosier retirement, or something else you really want.

\*Mutual funds are offered through Credential Asset Management Inc. and mutual funds and other securities are offered through Credential Securities Inc. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Unless otherwise stated, cash balances, mutual funds and other securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer that issues deposits in Credit Unions. Mutual funds and other securities are not guaranteed, their values change frequently and past performance may not be repeated. Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines. Credential Securities Inc. is a Member-CIPF. ©Credential is a registered mark owned by Credential Financial Inc. and is used under licence.



ANNUAL GENERAL MEETING

TAKE YOUR SEAT!

Join us on Monday, April 26, 2010 at 7:30 pm and enjoy an evening of good food and conversation while hearing about your Credit Union's successes, challenges and future plans. Same great location: **Grand Baccus Banquet & Conference Centre located at 2155 McNicoll Avenue, Toronto, Ontario.**

**CALL FOR BOARD NOMINATIONS - see pg 2**



## HAPPY NEW YEAR!

The team at *the Police Credit Union* wishes all our members many, many happy returns in 2010, whether personal, professional – or, of course, financial! Over the last year, we faced new challenges with innovation, grew in exciting new directions, and enjoyed the friendship of our community of members. Our New Year's Resolution for 2010 is to continue to improve the ways we can take care of our own.



**RESP is short for RESP-ecting your children's future by investing now in their postsecondary education.** Colleges, universities and vocational schools are becoming prohibitively expensive. According to Statistics Canada, the average undergraduate tuition fee is currently \$5,000 per year. Living expenses, books and other educational materials add to the price tag. The Canadian Federation of Students estimates that students graduating today carry an average debt load of \$25,000 to \$28,000.

Tax-sheltered RESPs can eliminate or considerably offset debt accumulated by postsecondary learning, ensure your kids get a good education, and they're packed with financial benefits. While your contributions aren't tax-deductible, taxes on all income and earnings are deferred until withdrawn. Most students have a very low income, so little or no taxes would be payable. You can contribute up to \$50,000, and the Federal Government will match 20% of your annual contribution to a maximum of \$500 per child registered under the plan, up to \$7,200.

RESPs offer flexible, affordable payment arrangements, a range of investment options, and there is no administration fee. RESPs also enable members to take advantage of a number of government grants and incentives that add up to a more affordable education. Get in touch with us to find out more!

## CIVILIAN MEMBERS WELCOME!

**You don't need a uniform to be a member of the Police Credit Union.** We're putting out an APB for all our members to get the word out to civilian Police Services personnel who are missing out on the Police Credit Union's great membership benefits. Our products and services beat anything offered elsewhere because we're more than a financial institution; we're a family of members.

Please let your fellow employees know about our competitive rates, attractive **REWARDS** program and friendly "can-do" attitude, whether they want a loan, a mortgage,

investments that will maximize their savings, or to prepare for a secure retirement.

Remember to let them know that as a member, you're an owner too, and members – not faceless shareholders – share profits in the form of superior interest rates, low service charges and support of the policing community's events and charities.

To get going on their financial futures and join their home team at *the Police Credit Union*, new members can call, drop by any branch or visit us online.

### CALL FOR BOARD NOMINATIONS

## HAVE YOU GOT WHAT IT TAKES?

If you're a champion of the Credit Union philosophy, and a community-minded individual looking for a way to make a difference in your Credit Union, then you're just the kind of candidate we're looking for!

As a Member, you have a voice in how *the Police Credit Union* is run. You can strengthen your voice, and expand your participation in the democratic process by joining the Board of Directors. Do you have what it takes? You know you do. Review the eligibility criteria and obtain your application for nomination at your local branch, or online at [www.tpcu.on.ca](http://www.tpcu.on.ca).



Candidate applications will be accepted until 90 days prior to the Annual General Meeting. Completed applications can be delivered to any branch or must be received at the address below no later than 5:00 pm on January 26, 2010:  
**Chair – Board of Directors, The Police Credit Union**  
**3650 Victoria Park Avenue, Suite 303, Toronto, Ontario M2H 3P7**

See our website for full details of standing for election for the Board of Directors or give us a call.

### MEMBER TESTIMONIAL

## MAKING IT HAPPEN *Rod Carmichael*

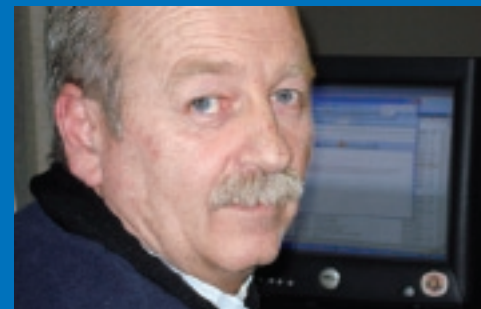
Long-time *Police Credit Union* member **Rod Carmichael** has been contributing to RRSPs for more years than he can remember and he's not planning to stop any time soon. Every year he takes out a loan to make his contributions, and appreciates how helpful the people at his local branch are.

"I always wait until the last minute but when I go in person to apply for a loan for my RRSP, Lila always finds a way to make it happen," says Rod, who doesn't single out one particular employee. He prefers to deal with all staff. "Everyone there knows me and they're always helpful. They find a way to make it work."

As well as the many savings advantages offered by RRSPs, Rod enjoys the tax benefits of contributing to RRSPs, and the easy, preferred low

rate RRSP Loans offered by the Credit Union. You can borrow 100% of your RRSP, or 50% of the value of your other investments, and there are no fees. An RRSP Loan can maximize your contributions and the tax savings may offset the cost of borrowing. "The refunds are worth it. We can all use a tax break these days," Rod chuckles.

Like he says, we're here to be helpful and ensure your financial security. RRSPs and RRSP Loans are just a couple of ways we can "make it happen."



FROM THE DESK OF... KEITH D'SYLVA

## TEST YOUR INVESTMENT SMARTS

HOW MUCH DO YOU KNOW ABOUT INVESTING? TAKE OUR QUICK QUIZ TO FIND OUT.

\$1,000,000

Each of the following statements is either true or false. Check your answers in the boxes provided, and then see the answers below. (Our explanation for each will help you understand more about managing your money.)

1. Equity\*, income\* and cash – most investors need all three.  TRUE  FALSE

2. You don't need to be aggressive to make money in the stock market.  TRUE  FALSE

3. I'm retired – stocks are simply too risky for my portfolio.  TRUE  FALSE

4. You don't have to be a financial genius to be a successful investor.  TRUE  FALSE

5. ABC company has hit a rough patch. Eventually it will come back.  TRUE  FALSE

6. When it comes to investing, professional advice is key.  TRUE  FALSE

1. TRUE. Most Canadian investors should have at least a portion of their wealth in each of these basic asset classes for diversification. How much of each depends on your age, tolerance for risk, personal financial goals, and other circumstances.

2. TRUE. In fact, taking on too much risk is probably the most serious error most investors make. Think about risk before your investment nosedives in value, not after when it's too late. Does the investment you're considering fit in with your personal risk tolerance. Always remember: your goal should be to protect your wealth as much as build your wealth.

3. FALSE. Speculative, "hot stocks" and other risky investments probably don't belong in a retirement portfolio. But GICs and other "safe" investments probably won't return much after taxes and inflation, putting you at serious risk of outliving your portfolio. If you're looking to stay ahead of taxes and inflation – and you should be – you'll need to invest at least a portion of your portfolio in equities. Over the long run, a well-diversified, conservatively managed portfolio of stocks, bonds and cash will give you the best chance of sustaining your portfolio.

4. TRUE – what you need is discipline. The smartest investment ideas aren't worth much if you don't have the discipline to stick with them when volatility strikes. Don't let your emotions derail your long-term financial future. Understand your limit for risk, select quality investments, and determine solid buy-and-sell criteria that you can stick to no matter what the market is doing.

5. MAYBE. Maybe not. Even quality companies can get

caught up in a market downturn. But sometimes there's a good reason why a given stock is suffering. The fact is, you don't know until you do some research and find out for yourself. Don't let your emotional attachment to an investment prevent you from doing what's right for your portfolio. If you realize you've made a mistake, far better to sell rather than riding a loser all the way to bankruptcy.

6. TRUE. Even the most successful investors recognize the value of professional advice. By working with an expert on the Police Credit Union's team, you can keep your portfolio strong and healthy in all kinds of market conditions.

For more information or assistance with your portfolio, contact Keith D'Sylva, Investment Advisor, Credential Securities Inc., at 416.224.6708 or by e-mail at [kdsylva@tpcu.on.ca](mailto:kdsylva@tpcu.on.ca).



Count on  
The Co-operators  
for the coverage  
you need



This group insurance program is only available through our Contact Centre and website.

While you may never expect to have an auto or home insurance claim, it's reassuring to know that if it ever does happen you can expect superior claims service. And you should feel good knowing that you have exceptional benefits that are only available to members of our group insurance plan. Plus, you could WIN the grand prize of \$15,000! \*\* To enter, just call 1-800-387-1963 or visit us on-line at [www.cooperatorsgroupinsurance.ca](http://www.cooperatorsgroupinsurance.ca) for a free, no-obligation quote on your auto\* and home insurance.

Don't miss out. Contest closes December 31, 2010.

Quote your group number to ensure you get the best rates: 01317



Group Auto\* and Home Provider  
for Members of the  
Police Credit Union

## MORE ONLINE SERVICES! SMARTPHONE & LIVE CHAT

This year we made some big website renovations to make your Credit Union online experience easier and more convenient than ever. If you haven't paid a visit to our revised website yet, drop by and check it out at [tpcu.on.ca](http://tpcu.on.ca). We've worked out a few small glitches, and the site's packed with valuable information and new member services that make online banking a breeze. Now we're Smartphone compatible and Live Chat is available during business hours!



# KIDS ROCK

AT THE POLICE CREDIT UNION

Enlightened and amused with each colourful newsletter, our members' kids are getting a kick out of how much fun it is to handle money with *the Police Credit Union*. Check out the teen and tyke newsletters on our website for some great ideas, fun activities, contests, puzzles, and more.

You can also download some terrific new youth podcasts or listen to them online. Our latest podcasts examine the growing problem of bullying and renowned expert, Dr. Debra Pepler, discusses solutions for both children and parents.

We're adding new features all the time, so it's worth coming back again and again! Visit [tpcu.on.ca](http://tpcu.on.ca) and click on *For Every Stage* on the home page today!



## LOCs AND LOW RATE LOANS WHAT HOLIDAY DEBT?



**Avoid the January debt doldrums and unnecessary stress.** Take charge with a line of credit and/or a low rate loan. Most of us become anxious when the festivities finish and seasonal bills come due, but there's no need. As a *Police Credit Union* member, you're eligible for the many advantages offered by setting up a Personal LOC or borrowing an easy-to-pay-back loan.

convenient way of borrowing funds on a continual basis without having to reapply again and again. Find out how easy it is to qualify for extra low **REWARDS** rates.

Best of all, you pay much less interest on a Personal LOC or loan than on any credit card. Just compare and see how much your PLOC can save you on a \$10,000 balance!

A line of credit gives you greater financial flexibility and control, and it's the most

Apply online, call your Member Service Officer or drop by anytime.

### YOU COULD SAVE UP TO \$2,200 EACH YEAR!

Department store charge card*		Credit cards* (i.e. Visa, MasterCard)		the Police Credit Union*			
RATE	INTEREST	RATE	INTEREST	PLOC REWARDS		PLOC Regular	
				RATE	INTEREST	RATE	INTEREST
28.8%	\$2,880	18.5%	\$1,850	6.00%	\$600	7.50%	\$750

\*Rates subject to change without notice.

## PAYROLL PROTECTION

Toronto Police Services employees who are members of the Credit Union are used to receiving their direct pay deposited early, prior to pay day on Tuesday. It's usually in your account Sunday morning. On occasion, there may be technical issues that prevent the payroll from being run early. We apologize to members affected by these events. We can't guarantee that your funds will always be there early Sunday morning, but assure you they'll be there by late in the afternoon.

One way you can make sure you're not caught off guard in the future is to consider overdraft protection or a line of credit at our preferred rates. Apply online or contact any branch and we can help you.



### CASHABLE TERM DEPOSITS

## Short term investment. Big-time earnings.

If you want to save up for something in the immediate future or strengthen your existing savings, **Cashable Term Deposits** are the way to go. They're safe, offer a super high rate, and give you flexible access to your cash whenever you need it. Plus, like other term deposits at *the Police Credit Union*, your principal is guaranteed so your savings are secure. Cash it after six months and enjoy a high interest payday! Combine Cashable Term Deposits with other investments to grow your savings faster. (Minimum \$5,000 deposit.)

\*These rates were established on December 2, 2009, and are subject to change without notice.



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toll-free 1-800-561-2557  
ExpressLine 416-223-8728  
toll-free 1-800-360-8728

#### Toronto

3650 Victoria Park Ave.  
Suite 103  
Toronto, ON M2H 3P7  
(between Finch & Steeles)  
  
Toronto Police Headquarters  
Room 101  
Toronto, ON M5G 2J3

#### Durham

962 Kingston Rd.  
Pickering, ON  
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(401 & Whites Rd.)

#### York

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Newmarket, ON  
L3Y 8C9  
(at Bristol Rd.)

#### Peel

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Unit C  
Mississauga, ON  
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(at Hwy. 10 & Derry Rd.)



[www.tpcu.on.ca](http://www.tpcu.on.ca)