

Macquarie Private Wealth

A world of opportunities



# FOCUS ON YOUR FUTURE

MACQUARIE PRIVATE WEALTH REGISTERED RETIREMENT SAVINGS PLANS

## About Macquarie

Founded in Australia in 1969, the Macquarie Group has always been committed to continuous growth. Since 1992, this global provider of banking, financial, advisory, investment and funds management services has reported successive years of profits and growth.

Macquarie Private Wealth offers investors tailored financial solutions, award-winning research, recognized financial strength, and a global vantage point — a world of opportunities to build your personal wealth.

At Macquarie Private Wealth Inc., we focus on your future. We believe that effective strategies developed today can make a significant difference to your retirement savings tomorrow. An Investment Advisor can play a key role in looking beyond your current situation to ensure that your retirement savings will allow you to maintain your desired lifestyle throughout your retirement years. Determining the right strategy to maximize your retirement savings can be much easier with the assistance of a qualified Macquarie Private Wealth Investment Advisor.

## The importance of an RRSP

Registered Retirement Savings Plans (RRSPs) are one of the key building blocks of your personal wealth management plan. A self-directed RRSP plan gives you complete control over the investments in your RRSP, allowing you to choose from a wide variety of investments including strip bonds, short-term deposits, GICs, equity securities and mutual funds. When supported by superior investment strategies, portfolio returns are able to compound into significant accumulations of wealth over time. Even minor improvements in portfolio returns can result in significant additional funds when you need them most.

## Commit to your retirement

Since your RRSP is such an important part of a successful retirement plan, you should be familiar with a few simple ways to get the most out of your RRSP and reach your retirement goals.

**Contribute early** to start receiving the long-term benefits of compounding returns as soon as possible. The best time to invest is now.

**Contribute regularly** to create a disciplined savings routine.

**Contribute the maximum** to ensure the greatest potential for growth.

Market fluctuations over the past few years have made many investors unsure how to manage their RRSP investments effectively. Market ups and downs are part of the natural market cycle. Taking a long-term view, creating a solid plan, having the right asset allocation and maintaining the discipline to stay the course is the best way to benefit from the market's long-term growth trend.

## Tax savings

RRSP contributions reduce income taxes in two ways. First, contributions up to your RRSP contribution limit are treated as a deduction from your annual income. Second, ongoing tax savings occur as investment returns are allowed to compound tax-free inside RRSPs. Income taxes become payable only when funds are withdrawn from RRSPs.

## Carry forward unused contribution room

If you contribute less than your maximum allowable RRSP contribution, the unused contribution room will be added to your next year's maximum contribution limit. This unused contribution room has an indefinite carry-forward period until age 71. Ask your Investment Advisor to review your most recent Notice of Assessment from CRA to determine the exact amount that you can contribute to your RRSP.

## Spousal plans may lower future income tax

Spousal RRSPs can be a powerful planning tool, allowing spouses to effectively split their retirement income and potentially reduce their overall income tax burden. Rather than contributing to your own RRSP, you may want to consider a Spousal RRSP contribution. Spousal RRSP contributions are treated like regular RRSP contributions; however, the retirement accumulation and income benefits accrue to your spouse who also controls the account. Provided the contributed funds have been in the spousal RRSP for at least two calendar years, withdrawals are received by and become taxable income of the contributor's spouse.




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### REGISTERED RETIREMENT SAVINGS PLANS (RRSPs)

 Toll-free 1 866 775 7704

 [macquarieprivatewealth.ca](http://macquarieprivatewealth.ca)

### **Make your contributions easier with an RRSP loan**

Even the best plans can run into difficulty. Should you find yourself unable to contribute to an RRSP for cash flow reasons, an RRSP loan is a simple and effective way to avoid missing the significant tax and retirement benefits that come from making an RRSP contribution.

Speak to your Macquarie Private Wealth Investment Advisor today to discuss our Self-Directed RRSP accounts and the potential benefits of RRSP loans, and continue building for a comfortable and secure retirement.

### **Quick facts and features:**

- The maximum contribution limits for RRSPs are \$21,000 for 2009, \$22,000 for 2010 and \$22,450 for 2011.
- RRSP contributions made during the first 60 days of 2010 can be used towards either your 2009 or 2010 RRSP limit.

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