

Optimize RRSP Contribution Strategy Summary

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Assumptions

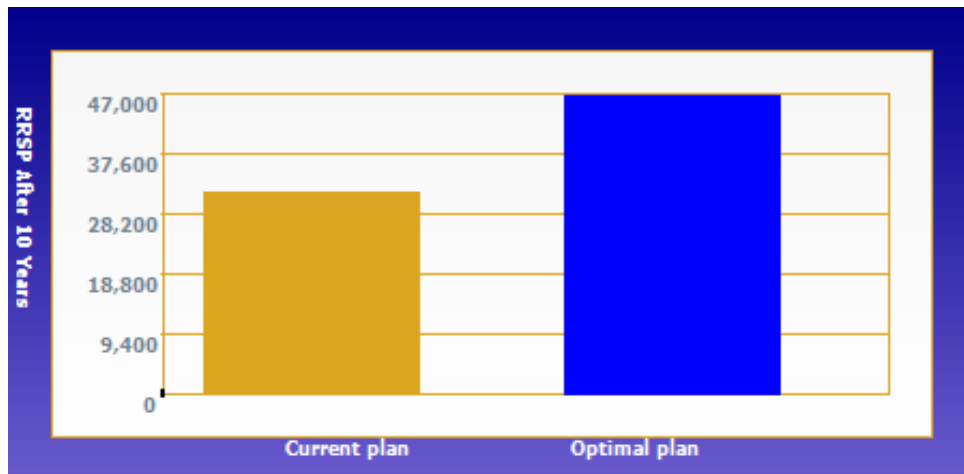
- \$2,000 to invest now, and \$2,000 per year of long-term investable cashflow
- \$53,000 taxable income, in Ontario for 2009
- \$25,000 of RRSP contribution room; currently reinvest 0% of RRSP refunds
- 7% annual returns; 6% interest rate for RRSP loan; 10-year evaluation period
- Sufficient income taxes have been prepaid with payroll deductions or installments so that RRSP contributions generate tax refunds

Action Plan

56% of the investable cashflow is used for automatic savings (monthly), with 44% used for a forced savings approach (to pay off a long-term RRSP loan).

\$10,274 is temporarily borrowed and combined with the \$2,000 of available cash to make a **total contribution this year of \$12,274**. This should generate a 31.2% tax refund of \$3,823, which is quickly used to pay down the loan, leaving a long-term **catch-up loan of \$6,451**.

\$876 per year of the long-term cashflow is used to pay off the loan over 10 years. The remaining already-taxed annual cashflow equates to **RRSP contributions of \$1,632 per year**. This is most easily achieved by contributing **\$136 per month**, and adjusting taxes withheld by your employer to get refunds invested immediately.



Projected Benefits

This year's RRSP contribution is \$12,274 instead of \$2,000. After 10 years, the selected **Action Plan** is projected to grow to \$46,692. This is **48% and \$15,125 better** than the current plan.

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These results are projections only. **Actual results are NOT GUARANTEED, and will vary**, perhaps significantly. While every effort has been made to provide valuable and accurate projections, no individual or company involved in the creation, use, or interpretation of this analysis accepts responsibility for any losses associated with its use.