

Member Advantage



NEWS FROM FLIN FLON CREDIT UNION • WINTER 2008-09

New option for 2009

Tax-Free Savings Accounts now available

In its 2008 budget, the federal government introduced a new savings vehicle for Canadians: the Tax-Free Savings Account (TFSA). Beginning January 1, 2009, Canadians age 18 and older will be eligible to contribute up to \$5,000 annually to a TFSA, which is intended to be a flexible savings account that complements existing Registered Retirement Savings Plans (RRSPs) and Registered Education Savings Plans (RESPs).

The key feature of the TFSA is that capital gains and other investment income earned in a TFSA will not be taxed and withdrawals will be tax-free. Unused contribution room can be carried forward to the subsequent year and withdrawals from a TFSA will also create contribution room for the subsequent year.

A TFSA differs from an RRSP in a couple of important ways. Firstly, RRSP contributions are tax-deductible, whereas TFSA contributions are made from after-tax income and therefore are not deductible. Secondly, RRSP contributions and investment earnings are taxable upon withdrawal, whereas TFSA contributions and investment earnings are exempt from tax upon withdrawal.

Recent studies have shown that many Canadians know little or nothing about TFSAs and how they work. If you'd like more information on TFSAs and how one might benefit you, drop by or contact Flin Flon Credit Union — we'd be pleased to work with you to explore your options. ■

Canadians can contribute up to \$5,000 annually to their Tax-Free Savings Account

To take advantage of this innovative new investment opportunity, give us a call at 687-6620 or 687-7106

The Benefits of Saving in a TFSA

Because capital gains and other investment income earned within a TFSA will not be taxed, an individual contributing \$200 a month to a TFSA for 20 years will accumulate about \$11,045 more in savings than if the investment had been made in a taxable savings vehicle (unregistered account).



Illustration only — shows combined federal-provincial tax savings, based on a \$200 monthly contribution for 20 years and a 5.5% rate of return. For unregistered savings, a 21% average tax rate on investment income is assumed (based on 40% interest, 30% dividends and 30% capital gains, and a middle-income earning account holder).

(Department of Finance figures)

The Board of Directors and Staff of Flin Flon Credit Union wish you and your family a happy and prosperous new year

happy new year

All the best in 2009!

Co-operative principles at work

Credit unions demonstrate their concern for community

As co-operative financial institutions, credit unions across Canada adhere to the Seven International Co-operative Principles.* These principles are the guidelines by which credit unions put their values into practice. One of the seven principles is Concern for Community, and last year credit unions across the country demonstrated their concern for the communities they serve by contributing more than \$35.8 million to community efforts.

These contributions were made in a variety of ways, including supporting local services, community initiatives and sports teams, financing affordable housing, assisting students, and reducing or waiving service charges for community groups. The total for 2007 represented a new record for the Canadian credit union system and a 3.0 per cent increase over the previous year.

The largest portion of the \$35.8 million came from donations and sponsorships, which amounted to more than \$25 million. Credit unions also donated \$3.7 million to their own charitable foundations, awarded more than \$900,000 in scholarships and bursaries and provided \$2.8 million in financial services to community organizations.

Credit unions' commitment to community also extends beyond monetary contributions. Nearly half (47 per cent) of all credit unions surveyed in the seventh annual national survey of credit union philanthropy indicated their employees participated in community activities as part of their paid work and 67 per cent volunteered on their own time. ■

* details at www.creditunion.mb.ca > about credit unions

The Seven Co-operative Principles

Voluntary and Open Membership

Democratic Member Control

Member Economic Participation

Autonomy and Independence

Education, Training and Information

Co-operation among Co-operatives

Concern for Community

100 per cent safety

Given the current economic climate, it's only natural to wonder if your money is as safe at your credit union as it would be in a bank. After all, banks put a lot of effort (and money) into reinforcing their image of stability and security — how could your community credit union possibly compete?

Well, it can. You'll be happy to know that every deposit held by a Manitoba credit union is guaranteed without limit by the Credit Union Deposit Guarantee Corporation (CUDGC). And, since Manitoba's first credit union opened in 1937, no member has ever lost any deposit or interest earned at the contracted or posted rate on a deposit. So why would you settle for the limited¹ guarantee you'd get at a bank? You don't have to, when you deposit your money at your credit union.

1. Eligible deposits at banks, trust companies and loan companies are insured by the Canada Deposit Insurance Corporation (CDIC). For more information, visit the CDIC website at www.cdic.ca

Funds on deposit are guaranteed without limit at:

- any of Canada's banks
- any of Canada's trust or loan companies
- your credit union
- all of the above

As the ultimate guarantor of your deposits, CUDGC closely monitors critical practices and procedures throughout the Manitoba credit union system. For more information about the Credit Union Deposit Guarantee Corporation and its role in securing your money, visit their website at www.cudgc.com or call 1-800-697-4447.

How fraud savvy are you when it comes to debit cards? Take the challenge!

1. Debit card skimming is the method that fraudsters use to copy your magnetic stripe information and Personal Identification Number (PIN), which is then used to reproduce a counterfeit card and steal money from your bank account.
 - True False
2. Shielding my PIN with my hand or body and checking my statements regularly is the best way to protect myself against debit card fraud.
 - True False
3. It is okay to share my PIN with family members.
 - True False
4. I don't need to shield my PIN because a fraudster can't access my bank account if they don't have my debit card.
 - True False
5. If I am a victim of debit card fraud, I will be reimbursed by my financial institution.
 - True False



(Interac Association quiz)



RRSP contribution deadline March 2, 2009

The deadline for RRSP contributions for the 2008 tax year is Monday, March 2, 2009, so it's not too late to make a last-minute contribution.

But while you're at it, it might be worth your while to consider setting up a recurring pre-authorized debit for future contributions. If you're tired of scrambling to gather the funds before the deadline, contributing a small amount on a regular basis has a number of benefits, not the least of which is that it's easier to budget for smaller payments than one large lump sum payment.

You'll also see greater return on your investments, because over the long run, your contributions will earn more interest if they're deposited monthly or bi-weekly rather than once a year. With pre-authorized contributions, your money goes to work for you earlier as you earn tax-sheltered interest income immediately.

The entire process is very convenient and hassle-free. With a pre-authorized contribution plan, your funds are transferred automatically to your RRSP. If your income is directly deposited into your account, your pre-authorized contribution can be scheduled to occur on the same day each month, from the same account. Your payments can also be easily increased when regular expenses such as loans or mortgage payments end or decrease and before you become accustomed to spending the extra cash.

Monthly payments can also be made into a spousal RRSP. The tax receipt is yours now and the income is your spouse's at retirement.

If you're interested in setting up a pre-authorized RRSP contribution, why not discuss it with a representative from the credit union while making your contribution for 2008?



1. True. Fraudsters use hidden equipment such as pinhole cameras and card reading devices to obtain your magnetic stripe information and PIN.
2. True. Shielding your PIN is the best way to protect yourself, because without the PIN — the key security feature — a fraudster will have more difficulty accessing your bank account. If you detect anything unusual on your financial statements, contact your financial institution immediately.
3. False. Only you should know your PIN. Never disclose your PIN to anyone, not even friends or family and if you suspect somebody knows your PIN, change it immediately.
4. False. Shielding your PIN during every transaction will make it more difficult for a fraudster to capture your PIN, and without it, they will not be able to steal money from your bank account.
5. True. Cardholders are protected by the Canadian Code of Practice for Consumer Debit Card Services, under which victims of debit card fraud will be reimbursed.

Answers

YOU could win \$500! New member referral program

Across Manitoba, credit union members are quick to recommend their credit unions to friends and family (93% likely or very likely to refer, compared to 74% for bank customers).

Flin Flon Credit Union is no different. Our greatest assets are the many satisfied members we serve — **you** are the reason we exist as a strong, independent credit union dedicated to the Flin Flon area.

Now you can do *yourself* a favour when you tell others about us. When you make a referral, ask your friend or family member to fill in a referral slip at the branch when they apply for membership. Once their membership is approved, you will be entered into our next draw to **win \$500 in cash!** ■

Every time you refer a new member to Flin Flon Credit Union for a new relationship, we'll enter your name into one of two annual draws for \$500!



CUMIS®



You can get a free, no hassle, term life insurance quote for up to \$200,000 — any time, day or night — through your Flin Flon Credit Union's website. Just follow the link from our home page at www.flinfloncu.mb.ca

CUMIS Insurance has been our creditor insurance partner for years. Now we have begun to make special insurance offers to select members, with offers for Term Life Insurance, Final Needs Insurance, Accidental Death Insurance and Hospital Accident Plan Insurance sent out through the mail over the last twelve months. Although the credit union itself is not permitted to sell insurance, we are happy to be able to provide a quality insurance partner to our membership through the website and telephone. If you have questions about the types of coverage available, please call **CUMIS Insurance** at **1-888-263-5110**.

Coming in 2009

Home Insurance will be soon available through CUMIS.

Details will follow when available.



Apply online... any time!

Get the ball rolling on your loan or mortgage application with our innovative WebStart application. Just follow the link from our home page at www.flinfloncu.mb.ca



Not just another chequing account

Remember: every purchase you make with your FFCU debit card, or by cheque from your FFCU chequing account, is protected with **90 day purchase protection** and your **warranty is doubled** up to a maximum of twelve months... all at no extra charge! Certificates of coverage are available at our branch. Discover the difference of membership. ■

Flin Flon Credit Union

We welcome your feedback and story ideas for the Member Advantage newsletter. Send or bring them to:

36 Main Street
Flin Flon MB R8A 1J6
Phone 687-6620 or 687-7106
Fax 687-5613

Tue. – Thur. 9:30 am – 5 pm
Friday 9:30 am – 5:30 pm
Saturday 9:30 am – 3 pm

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Leslie Larocque
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Visit our website!
www.flinfloncu.mb.ca

WE OFFER OUR MEMBERS

- high-quality financial products and services at fair prices
- financial products and services that are convenient and accessible
 - a strong network of credit unions staffed by people who are ethical, competent and well-trained
 - a system of credit unions, united and acting as one towards common goals and purposes
 - a system directed by a motivated membership involved in the planning and policy-making process
- integration with national and related co-op organizations

**Discover the
difference
of membership**