



Wouldn't it be nice to have more money each month?

Investing the money you receive from your CHIP Home Income Plan is a simple, sensible and tax-friendly way to create a new source of monthly income

1. Unlock the equity in your home with a CHIP Home Income Plan.

2. Invest the money to meet your income needs.

Your financial advisor can help you determine which investments are right for you.

3. You may receive a yearly tax deduction for the interest charged.

This chart shows how much income you could receive by investing \$100,000 from a CHIP Home Income Plan. Because you receive a tax deduction for the interest charged, and make no payments, you could increase your monthly income significantly.

| | Example | Your Amount |
|---------------------------------|--------------|-----------------|
| CHIP Home Income Plan Amount | \$100,000 | \$ _____ |
| Annual Investment Income @ 6.0% | \$6,000 | \$ _____ |
| Tax Payable ¹ | \$0 | \$ _____ |
| Net Annual Income After Tax | \$6,000 | \$ _____ |
| Monthly Income After Tax | \$500 | \$ _____ |

¹ In this example, the annual investment income (\$6,000) less the interest expense (\$6,916) results in no taxable income. CHIP presents this information as an example only and not as advice. Contact your financial advisor to discuss how these examples may relate to your personal situation.

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CHIP Home Income Plan interest may be tax-deductible when you invest the money you receive

- Deducting the CHIP Home Income Plan interest can offset the income earned by non-registered investments, providing tax-efficient income.
- Your CHIP Annual Statement clearly indicates the amount of interest you have been charged and that may be eligible as a tax deduction.
- This deduction may also ensure that the extra income you earn does not affect Old Age Security and Guaranteed Income Supplement government benefits.
- Keep investments made with your CHIP Home Income Plan money separate from other investment assets. It's important to be able to identify the investments that are associated with the interest deduction.
- Good recordkeeping is required because if you take part of the principal out of your investment, it will affect the amount of interest expense you can deduct.
- Be sure to consult a tax advisor to determine how this approach affects your personal situation.



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Paying off your debts with a CHIP Home Income Plan eliminates the monthly payments you now make so you dramatically increase the amount of money you have available each month to do the things you want to do.

No regular repayments are required with a CHIP Home Income Plan.

- With little or no money going toward repaying debts, you will be able to better manage your monthly expenses and reduce the need to use credit in the future.
- You'll have extra money to do the things you want to do.
- Surplus cash can be invested to help build your retirement savings, ensuring you have money for your future needs.
- With more money available every month, you will be better prepared to meet unexpected expenses such as home or vehicle repairs, as well as regular expenses such as income and property taxes.

Notes

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Add up your monthly payments and see how much you would have available each month.

| Monthly Expenses | Current Monthly Payments |
|------------------|--------------------------|
| Mortgage | \$ |
| Line of Credit | \$ |
| Credit Cards | \$ |
| Property Taxes | \$ |
| Other | \$ |
| Other | \$ |
| Total | \$ |