



Wouldn't it be nice to make the most of your RRSP?

A CHIP Home Income Plan is a simple and sensible way to catch up on unused RRSP contribution room

You can gain valuable tax deductions that can be used now and in the future to build your future retirement income without increasing your monthly expenses.

Example: A 67-year-old homeowner uses \$50,000 from a CHIP Home Income Plan to top up his RRSP and deducts \$10,000 a year for five years.

Benefit at Different Taxable Income Amounts

Taxable Income	\$25,000	\$45,000	\$65,000
A. Current Tax Payable	\$3,976	\$10,012	\$17,127

RRSP Contribution of \$50,000 – Deduct \$10,000/yr. for 5 years

B. Tax Payable (after \$10,000 deduction)¹	\$1,347	\$6,600	\$13,526
C. Tax Savings (A-B)	\$2,629	\$3,412	\$3,601
D. Age Credit Regained (after \$10,000 deduction)²	N/A	\$228	\$207
E. OAS Regained (after \$10,000 deduction)²	N/A	N/A	\$428
F. Extra Cash Each Year (C+D+E)	\$2,629	\$3,640	\$4,236
G. Extra Cash Over Five Years (Fx5)	\$13,145	\$18,200	\$21,180

Tax savings for five years + potentially more government benefits + \$50,000 invested for future retirement savings. See over for details.

¹ Tax payable amounts are based on an approximate national average (excluding territories). Source: Ernst & Young 2006 Personal Tax Calculator.

² For 2006 tax year, OAS and age credit clawbacks start at net incomes of \$62,144 and \$30,270 respectively. Clawback is 15% of net income that exceeds those amounts. With the age credit, the lost deduction against taxes owing is an additional 15.25% of the clawback amount. OAS and age credit maximums are estimated at \$5,856 and \$772 respectively for 2006. 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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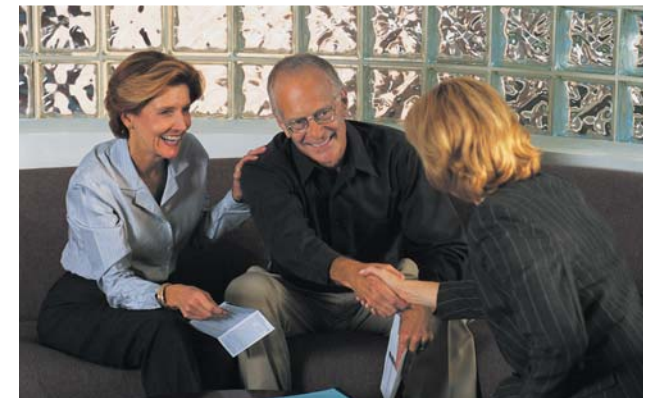
A CHIP Home Income Plan could be an ideal solution to:

- *Build your retirement savings*
- *Protect your potential government benefits*
- *Receive significant tax savings*

When you use a CHIP Home Income Plan to contribute to your RRSP:

- You build your RRSP assets, giving you the resources to ensure a more comfortable retirement;
- You gain RRSP tax deductions without the burden of RRSP loan payments;
- Tax deductions reduce the tax you pay and your exposure to clawbacks of Old Age Security benefits;
- You have the flexibility to use your RRSP deductions at any time in the future, whenever they are most beneficial – even long after your RRSP has been converted to a RRIF;
- If you are over 71, you can still use your unused RRSP room in a spousal RRSP if your spouse is younger than 71.

Notes



Investing \$50,000 in your RRSP can significantly increase your retirement savings.

5 years	\$66,911
10 years	\$89,542
15 years	\$119,827
20 years	\$160,356

(6% compounded return)

You can also gain valuable tax deductions.
See over for details.

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