

HAPPY NEW YEAR! The Board of Directors and staff extend their best wishes to our valued members for 2009

www.firecreditunion.ca

HOTSTUFF

OUR FAMILY, YOUR FUTURE



YOUR CREDIT UNION: SHELTER FROM THE FINANCIAL STORM

Every day, new headlines broadcast the latest financial furor south of the border.

While financial markets falter, Canada's credit union system remains strong and calm, protected by well designed lending policies and sound regulatory structures. And although Canada's economic outlook has dimmed, Credit Union members can rest assured their money is safe and their Credit Union is secure.

In Ontario alone, the credit union system saw assets grow to almost \$19 billion and deposit levels rise to over \$16 billion by the end of 2007. As well, the majority of our deposits come from our Credit Union members – not global capital markets – so our deposit base remains stable relative to other financial institutions in Canada, the U.S. and elsewhere.

The Fire Department Employees Credit Union is committed to upholding and strengthening key policies that protect our members as the market swings and sways. We don't offer sub-prime mortgages, avoiding a major lending risk that is considered a chief cause of the current turmoil in the U.S. We are also continuing to make prudent loans to our members where we live, work and serve, helping keep our loan delinquency rates exceptionally low while supporting our firefighter community. As well, we're maintaining high levels of capital reserves and liquidity, ensuring funds are available to meet our obligations to you, our depositors, at any time, including during periods of financial market upheaval.

The Deposit Insurance Corporation of Ontario (DICO) provides deposit protection for all eligible deposits held at Ontario credit unions, which includes deposit accounts up to \$100,000, plus up to \$100,000 for each RRSP, RRIF and TFSA contract. Deposit insurance is part of a comprehensive protection program in all Ontario credit unions. For more information, visit the Deposit Insurance Corporation of Ontario website at www.dico.com. For more information about how the credit union system safeguards members, visit www.firecreditunion.ca.

SERVICES TO KEEP YOU SAFE & SAVE!

NEW! ACCOUNT SECURITY SERVICES

The Credit Union offers two new free services that go hand in hand with Member Cards. The first is **E-mail Alert** that automatically sends you an e-mail whenever a transaction is made on your account that is within the parameters you select. You choose an amount or type of transaction and you'll be alerted whenever just such an item hits your account. This is a wonderful security feature. Call us today to get activated.

The second new security feature offered to our members free of charge is called **Verafin**. This software develops a spending pattern for each of our members. If a transaction takes place that is outside of your spending pattern, a report will be generated and sent to the Credit Union, so that we can immediately contact you and verify the transaction is legitimate.

NEW! SAVE IT UP PROGRAM

The **Save It Up** program allows members to set their Member Cards to round up to the nearest dollar, \$5 or \$10 whenever they make a POS/debit purchase. The difference is then deposited to the member's savings or special savings account or to your child's trust account. By depositing small amounts to your account, you don't really miss it but it keeps growing and before you know it that dream vacation or new big screen TV is looking much more attainable! Call us so you can start to **Save It Up** right away!

ATTEND THE SIXTY-SEVENTH ANNUAL GENERAL MEETING!

Meet and discuss with your fellow members, the innovations and business of our Credit Union. Plan to attend the AGM, which is scheduled for a west end location in Toronto. There will be special gifts for each member at the door and a buffet dinner afterwards. Full details, including the agenda, will be mailed to members in March.

Nominations Open

This year, three positions are to be filled on the Board of Directors, each for a term of three years. Nominees must be members in good standing and must be nominated by two other Credit Union members. Nominations will be accepted until March 31, 2009 and must be mailed to: **Nominating Committee, The Fire Department Employees Credit Union, 1997 Avenue Road, Toronto, Ontario M5M 4A3**



It's important to plan for your future. But that doesn't mean you have to wait until you've retired to reap the benefits of your good planning. Our competitive RRSPs can work for you in a lot of ways – including as a down payment on a new home or to further you or your spouse's education.

With the government-approved **Home Buyer's Plan**, you may be eligible to withdraw up to \$20,000 from your RRSP to use toward the purchase of a home. The funds are withdrawn without penalty and paid back to your RRSP over 15 years. The **Lifelong Learning Plan** allows you to withdraw up to \$20,000 (maximum \$10,000 per year) without penalty to help defray the costs of returning to school to further your education.

Your Credit Union wants to help you reach your short- and long-term goals AND reduce your income taxes along the way. It may be advantageous to maximize your annual contribution with an RRSP loan at a preferred rate.* With the **No-Payments-For-90-Days** option, you can wait for your income tax refund, pay down the greater part of the loan and amortize the remainder over 12 months to ensure cash flow is not adversely affected. Talk to us today about how your future can work for you now.

Your deposits are safe and secure with insurance provided for up to \$100,000 for each RRSP contract by the Deposit Insurance Corporation of Ontario.

**Preferred rate applies when invested at The Fire Department Employees Credit Union.*



**RRSPs ARE
FOR MORE
THAN JUST YOUR
TWILIGHT YEARS.**

**RRSP
DEADLINE
MARCH 2,
2009**



**THE NEW TAX FREE
SAVINGS ACCOUNT
HELPS YOU SAVE
AT EVERY STAGE.**

On January 1, 2009, the Tax Free Savings Account (TFSA) was introduced. This program enables a broad cross-section of Canadians to save taxes on their investment income. While the account's flexibility makes it particularly effective for meeting a variety of consumption-oriented savings goals such as home purchase, renovations or travel, the TFSA can also complement the longer term savings Canadians are managing with their RRSPs.

Through the combined coverage of the TFSA and existing registered plans, it is estimated that over 90% of Canadians will eventually hold all of their financial assets in a tax-advantaged savings vehicle.

Key features of the new Tax Free Savings Account are outlined below...

Eligibility

The TFSA is available to Canadian residents 18 and older with a valid Social Insurance Number. Generally, investments that are RRSP-eligible such as mutual funds, GICs, savings accounts and publicly traded securities can be held in a TFSA.

Tax Free Income

Investment income earned in a TFSA will be tax-free, regardless of whether it is interest, dividends or capital gains. This is distinct from RRSPs where income tax is simply deferred.

Contributions

The maximum contribution limit for 2009 is \$5,000. Contributions are not tax deductible. This limit is the same for every qualifying individual, and unlike under RRSPs, is not dependent on earned income. Under the TFSA, unused contribution room can be carried forward indefinitely. Someone who chooses not to make any contributions to a TFSA for the first 10 years would accumulate \$50,000 in contribution room. There is no upper age limit to contributing to a TFSA, unlike an RRSP which must be wound down after age 71.

Withdrawals

Because contributions are made with after tax income, withdrawals from the plan are tax-free. Plus, withdrawals from the plan (principal and income) 'add-back' an equivalent amount in contribution room available the following year.

Upon death, TFSA assets can be transferred to a spouse without impacting the recipient's contribution room.

Effect on Government Benefits

Income generated under a TFSA and amounts withdrawn are not included in determining eligibility for income-tested benefits and credits such as the Canada Child Tax Benefit, Old Age Security, GST Credit or Guaranteed Income Supplement.





TFSA or

RRSP?

When RRSP season arrives, many members are likely to see the TFSA as an alternative to an RRSP. While the feature differences between the two products means that for the most part they

should complement rather than compete with each other in an individual's savings program, there are circumstances under which one can be better than the other for long term savings objectives such as retirement. One key is to compare tax rates during the contribution and withdrawal phases.

Because of their tax-advantaged status, funds placed in TFSAs and RRSPs will generate higher after-tax returns than investing in non-registered accounts, particularly for interest bearing investments such as GICs, bonds or savings accounts, which attract the highest marginal tax rates. To help savers determine how the TFSA will benefit their particular circumstances, the federal government has placed a TFSA calculator on its website. It can be found at www.budget.gc.ca/2008/mm/calc_e.html.

While there are situations when a TFSA may yield better long term results than an RRSP for retirement savings, generally the TFSA complements savings under an RRSP. Here are some specific members that a TFSA may appeal to.

HIGH INCOME EARNERS

High income earners who have maximized their RRSP contributions, and are looking for another investment vehicle that shelters income from tax will benefit from the TFSA. Using TFSAs and RRSPs is not necessarily an 'either-or' situation. The TFSA can offer valuable tax savings over and above what's achievable through an RRSP.

RETIREEES

Because it has no upper age limit on making contributions, seniors can continue to grow their tax free income under a TFSA. They do not have to collapse their plan, as with an RRSP, and move their funds to a retirement income option such as a RRIF, where the

funds are gradually taxed. For those who already have a RRIF, the TFSA can be used to shelter withdrawals which are not needed. And, as mentioned, TFSA withdrawals and earnings do not affect means-tested programs such as OAS.

CONSERVATIVE INCOME INVESTORS

Those who prefer to save using savings accounts, GICs, bonds or other interest-bearing instruments will do substantially better tax-wise under a TFSA than by keeping their funds in a non-registered account.

WORKERS WITH PENSION PLANS

The TFSA can help the individual offset RRSP contribution room lost from pension adjustments.

SHORT TERM, GOAL-ORIENTED SAVERS

While the ability to contribute up to \$5,000 is an obvious benefit under the TFSA, a more valuable feature for many will be the account's liquidity. The ability to shelter funds from tax, withdraw and then replace funds in a subsequent year as needed without affecting contribution room, makes the TFSA a perfect tool to save for a variety of shorter term objectives, such as: **Down payment for a home purchase • Home renovations • Emergency funds • Travel • Vehicle purchase • Educational expenses**

HOMEOWNERS, EMPTY NESTERS

In the future, homeowners looking to downsize will be able to utilize their TFSA to shelter proceeds of a home sale from future taxation. Although a principal residence can be sold tax-free, the proceeds once reinvested in non-registered accounts would begin to generate tax.

SMALL BUSINESS START UPS

Those looking to start a business can use the TFSA to grow their seed capital tax-efficiently, and also use the account as collateral for a business loan.

Your deposits are safe and secure with insurance provided by the Deposit Insurance Corporation of Ontario for up to \$100,000 for each RRSP and TFSA contract.

Your Credit Union is able to help you sift through the pros and cons of the different investment vehicles to help you determine the right mix for your situation. Call us today.

EXCLUSIVELY FOR MEMBERS AGE 18-24

FREE&ON FIRE

Look out, world. You're on fire. You're hot with ideas and you don't want anything to hold you back.

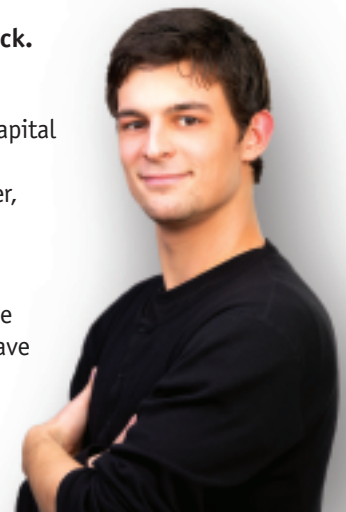
Neither do we. We've got the perfect vehicle to help you get where you want to go.

Our new **FREE & ON FIRE** account gives you everything you need to manage your money FREE. That's right, capital F-R-E-E. Unlimited direct debit and Exchange Network ATMs... we pick up the tab. And dealing here, you get something you'll never get at a bank. You get a say in how we do business because you're not just a customer, you're a member and an owner. We work for you – and we never forget it.

TRAINING TO BE A FIREFIGHTER? GET A HOT LOAN AT A GREAT RATE!

Our term deposits and loans are the hottest around. If you're enrolled in an accredited firefighting college course, you could qualify for a tuition loan (*on approved credit*). Call us today for complete details. Sign up and save yourself a bundle in banking fees every month!

• **FREE membership** • **FREE direct debit** • **FREE Member Card** • **FREE ATM banking at The Exchange Network** • **FREE online banking** • **FREE chequing services** • **FREE Student or No-Fee MasterCard** • **Special low-rate loans and more!**



FEES & FREEBIES

+ CHEQUING

PERSONAL

Everyday Banking service package	\$11.95	Unlimited POS, deposits and withdrawals at The Exchange Network of ATMs, bill payments, online banking, telephone banking, in-branch deposit and withdrawals, funds transfers, stop payments, and certified cheques; plus 2 Interac ATM* withdrawals monthly
Junior Firefighters	FREE	Non-Exchange Network charges apply
Hot Teen account	FREE	Non-Exchange Network charges apply
Free and On Fire	FREE	Non-Exchange Network charges apply
Seniors	FREE	All chequing related activity (except NSF charges); non-Exchange Network and POS charges apply; minimum age 60 years
Account statements	FREE	Duplicates
Overdraft protection	\$2.00	No monthly maintenance fee, interest applies
Cheque orders	AT COST	For chequing accounts only
Deposits	FREE	
Withdrawals and cheques	50¢	In excess of 2 each month
Stop payments	\$5.00	With full cheque details
	\$10.00	Without full cheque details
Certified cheques	\$2.00	Presented by member
	\$10.00	Presented by non-member
Corporate certified cheques	\$5.00	Commercial and personal accounts
Transfers	FREE	Member requested
	\$2.00	To cover NSF items
Corporate cheques	\$1.00	Issued to third party
Account closures	FREE	
Returned items / NSF	\$35.00	Member's cheque written on another financial institution and preauthorized items
Charged back cheques	\$5.00	Third party cheque presented by member
Record search	\$1.00	Per item for cheques less than 3 months
	\$20.00	Per hour for cheques older than 3 months, minimum 1 hour
COMMERCIAL		
Deposits	FREE	
Debits	50¢	
Account statements	FREE	Duplicates
	\$2.00	
	\$10.00	Per year for previous years

+ ELECTRONIC SERVICES

The Exchange Network ATMs	FREE	Deposits/withdrawals
All other ATMs*	\$1.50	Canada
	\$2.00	US and International
POS (Debit)	50¢	Canada and US
Online/telephone banking	FREE	
Bill payment	FREE	Online or by phone
Electronic funds, debits and credits	FREE	
Automatic transfers	FREE	
Direct deposit	FREE	
Payroll deduction	FREE	
Cheque imaging	FREE	
Wire transfers	\$15.00	Outgoing domestic
	\$25.00	Foreign
	\$5.00	Incoming

+ MORTGAGES & EQUITY LINES

Appraisals	FREE	Maximum of \$200
Mortgage discharge	\$100.00	Preparation
	\$100.00	Registration
Cancellation fee	\$100.00	
Assignment of transfer/moving mortgage	\$450.00	
Bridge financing	\$100.00	Plus interest calculated at the personal loan rate
EHOP (fraud protection)	\$375.00	Property insurance
Equity lines of credit	\$25.00	Renewals (every 5 years)
Legal fees and First Canadian Title	AT COST	

+ MISCELLANEOUS

Foreign currency exchange	AT COST	
RRSP/RRIF withdrawal	FREE	
RRSP/RRIF transfers-out	\$50.00	
TFSA withdrawals	\$5.00	2 free each year
TFSA transfers-out	\$50.00	
Chattel registrations	\$15.00	
Confirmation letter of loan interest	FREE	
Personal banking	\$10.00	Transactions delivered to other financial institutions
Inactive accounts	\$4.00	Annual statement charge
Unclaimed balances	\$100.00	No member generated activity for more than one year
Post-dated items	FREE	Held for deposit
Application fees	FREE	Personal loans, lines of credit and mortgages

Effective February 1, 2009.
Fees subject to change without notice.
*Network surcharges may be applicable.

NEW!
LOST OR STOLEN ATM CARD 24-HOUR HOTLINE
1.877.764.3693

IF YOUR MEMBER CARD IS LOST, STOLEN, OR COMPROMISED IN ANY WAY, CALL OUR NEW 24-HOUR HOTLINE TO REPORT IT RIGHT AWAY.

Avenue Road

1997 Avenue Road
Toronto, Ontario M5M 4A3
T 416.440.1294
F 416.440.4271

Weekdays 8:00 a.m. to 4:00 p.m.
Thursdays until 6:00 p.m.

East York

East York Civic Centre
850 Coxwell Avenue
East York, Ontario M4C 5R1
T 416.397.4641
F 416.397.4642

Weekdays 8:00 a.m. to 4:00 p.m.
Wednesdays closed

toll-free:

1.866.833.3285

website:

www.firecreditunion.ca

e-mail:

memberservices@firecreditunion.ca

FREE PARKING at all branches

CASH AND DEBIT CARD WITHDRAWALS ARE AVAILABLE AT ALL ATMS AND/OR RETAILERS DISPLAYING THE EXCHANGE NETWORK, INTERAC AND PLUS LOGOS.



The Fire Department
Employees Credit Union