

THIS ISSUE

2008 Tax Planning Calendar



This calendar shows that tax planning is a year-round activity

Embrace the online experience



Take advantage of valuable online resources

Test your RRSP IQ!



How much do you know?

Staying focused on your retirement savings

As an investor working to build your portfolio, you face many day-to-day demands on your money

It's not always easy to determine what your financial priorities should be, or to stay committed to them — especially when markets are volatile.

There's one priority, however, that should always be near the top of your list: contributing to a Registered Retirement Savings Plan (RRSP). With its powerful combination of tax deductions and long-term, tax-sheltered growth, the RRSP remains the most effective way for most Canadians to build the financial security they need in retirement.

And in today's competitive environment, you have more investment choices than ever. With the assistance of your CIBC Financial Advisor, you can tailor your RRSP portfolio to meet your specific needs.

To help you stay focused on your retirement savings goals, here is a timely reminder of four key reasons to stay committed to your retirement plan, and to contribute as much as you can (up to your maximum) before this year's February 29, 2008, deadline.

1. Time and tax sheltering

By contributing now to your RRSP, your savings can grow and compound over a longer period of time.

If you also have a non-registered portfolio of retirement savings, you can achieve even greater tax efficiency by allocating higher-taxed investments (such as those that generate interest) to your tax-sheltered RRSP and leaving more favourably taxed investments (such as those that earn capital gains or dividends) outside your registered plan.

2. Tax savings

If you're in the highest tax bracket, you'll generate a tax benefit of about 45% on the amount you contribute to your RRSP, depending on the province you live in. If you get a refund, you can use it to pay down debt, fund a major purchase, or roll it right back into your RRSP for a tax benefit on your next return.

If you know that you are going to contribute regularly to your RRSP throughout the year, you can also ask the Canada Revenue Agency to reduce the amount of tax withheld from your regular paycheque. In effect, you can get next year's tax savings upfront.

3. Avoid the catch-up crunch

Many people take advantage of the RRSP "carryforward" provisions, fully intending to make up the difference next year. Delaying your contribution for even one year, however, can have a significant effect

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RETIREMENT SAVINGS

Continued from Page 1

over the long term, as the accompanying illustration shows.

Even more problematic is getting back on track. Carryforward room can easily reach tens of thousands of dollars in a few short years. This can make it far more difficult to take full advantage of the tax-sheltered investment room available to you.

If you don't have the ready cash to contribute or to catch up, explore alternative sources. For example, you may be able to draw on non-registered savings, make an in-kind contribution, or borrow at an advantageous rate.

An even better solution is to make sure you reach your maximum contribution every year by committing to a Regular

Investment Plan (RIP), which automatically invests a specific amount into your RRSP on a regular basis.

4. Secure your own future

The reality is that you cannot control world economic events. Nor are your actions likely to influence market behaviour. Where you can make a real difference, however, is in your own future. By committing to regular RRSP contributions, you can help ensure that your retirement is financially secure.

Speak with your Financial Advisor today to ensure that your retirement savings plan is tailored to meet your specific needs.

Meet our impressive family

As an Imperial Service client, you have a wide range of attractive investment opportunities at your fingertips, including our expertly managed CIBC family of mutual funds and the CIBC Portfolio Solutions.¹

- **CIBC family of mutual funds**, including both the CIBC Mutual Funds and the Renaissance Investments^{TM1} family of funds. We offer a comprehensive selection of mutual funds giving you exposure to equity and fixed-income securities from markets around the world. These include the award-winning Renaissance Global Health Care Fund and Renaissance Canadian Monthly Income Fund. Both took top honours in their respective categories at the 2007 Canadian Investment Awards.
- **CIBC Portfolio Solutions**, such as Axiom Portfolios^{TM1}, CIBC Managed Portfolio Services[®], and CIBC Personal Portfolio Services[®]. These professionally managed portfolios are monitored and managed by investment professionals from around the world. Each portfolio is rebalanced as needed to ensure it stays true to its investment objective.

Your Financial Advisor can provide you with more information about how our impressive range of investments can help you achieve your goals and live your retirement dreams.

When you skip one \$5,000 contribution this is what it could cost your RRSP



For illustration purposes. Assumes average annual compound return of 6%. Actual return will vary.

YOUR 2008 TAX PLANNING CALENDAR



January

If you have made a qualifying loan to your lower-income spouse, so that he or she can invest it and report the taxable income, the interest on the loan must be paid by January 30. If not, invest-

ment income generated by the lent money will be attributed to you for tax purposes.

February

Make your maximum 2007 RRSP contribution if you haven't already done so. See your 2006 Notice of Assessment for your contribution limit.

February 29 – RRSP contribution deadline for 2007.

March

March 15 – First tax installment due for individuals who are required to pay income tax quarterly in 2008.

If you made a last-minute RRSP contribution into a money market fund or

cash account, meet with your Financial Advisor to discuss where to reallocate it for better long-term growth potential.

April

Review the credits and deductions available to your family and determine who should claim them for maximum benefit. Consider whether you and your spouse or common law partner can benefit from new pension income splitting rules when you file your 2007 income tax returns.

Apply for the new Canada Child Tax Benefit if you are eligible.

April 30 – Deadline for filing your 2007 personal income tax return.

May

If you scrambled to find receipts from 2007, now is the time to set up a file system for 2008.

June

If you're moving more than 40 km for employment or education purposes, your expenses, such as travel costs and storage for your furniture, may be tax-deductible. Keep your receipts.

June 15 – Quarterly tax installment due.

July

Hang on to receipts for capital improvements to recreational property. They may reduce the taxable capital gain when you sell or transfer the property.

Embrace the online experience

Take advantage of the valuable resources at www.cibc.com/imperial



Your CIBC Imperial Service Advisor is always available to answer your questions or review your financial plan. But there may also be times when you'd like to do a little exploration on your own. Whether you're looking for account information, investment tools, or financial management tips, you'll find it on our CIBC Imperial Service Online®.

YOUR ONE-CLICK GATEWAY

Using your CIBC Imperial Service Card, you can access various services, including:

- **My accounts.** An overview of your CIBC holdings and balances — including accounts, investments, and lending. You can click on an account to view details such as transaction history or payment breakdown on your mortgage or loan.
- **Message centre.** A mailbox in CIBC Online Banking that enables you to send secure and confidential messages to CIBC. Through the Message Centre you can also receive alerts notifying you about your account activity.
- **Customer services.** Update your personal details and access other banking information and services online.
- **Maturities notices.** Provides information about your current investments and mortgages that will be maturing in the near future.
- **My CIBC rates.** The “Customize” button at the bottom of this section enables you to track specific CIBC rates and mutual fund prices.

REDUCING OUR ENVIRONMENTAL FOOTPRINT

You can also help us to manage our impact on the environment — and reduce your own office clutter — by switching to

paperless record-keeping. You can opt out of receiving paper statements and instead choose to review your account details via electronic banking options such as Online Banking, Telephone Banking, and Automatic Bank Machine (ABM) Banking.

Plus when you switch to the paperless record-keeping option for your personal account, you can view images of your cleared cheques online for free on that account.

To learn more about paperless record-keeping, talk to your Financial Advisor.

IT TAKES JUST A MOMENT

With access to the CIBC Imperial Service Online, you can stay up-to-date on your accounts, learn more about investing, and uncover opportunities that you can investigate further with your Advisor.

If you have already signed up, you may want to take a few moments to explore the site. If you're not yet registered for online access, signing up is easy. Just go to www.cibc.com/imperial or ask your Financial Advisor for assistance.

Top up your RRSP with a CIBC RRSP Maximizer Loan™

If you need to borrow to contribute to your RRSP or would like to use up your carryforward, you may want to consider the CIBC RRSP Maximizer Loan.

Featuring competitive rates, this flexible borrowing solution may help you meet your investment goals and get a valuable tax deduction for 2007. You can borrow from \$5,000 to \$50,000, and spread monthly payments over as long as 10 years.² Both variable and fixed-rate loans are offered.

If you have RRSP room available, ask your CIBC Financial Advisor how the CIBC RRSP Maximizer Loan may enhance the long-term tax-deferred growth potential of your RRSP.

August

Don't overlook deductible expenses for child care. Babysitters, day care, summer camp, and boarding school expenses may qualify if they enable you to work or attend school.

September

If you turn 71 in 2008, contact your Financial Advisor to discuss your RRSP conversion options.

Contribute at least \$2,500 to a Registered Education Savings Plan (RESP) for each of your minor children to qualify for the maximum grant under the Canada Education Savings Grant (CESG) program.

September 15 – Quarterly tax installment due.

October

With your Financial Advisor's help, review your portfolio for investments that have declined in value since you purchased them. You may want to consider selling them to trigger a capital loss that can offset realized capital gains.

November

If you're acting as an executor, you are responsible for filing a terminal T1 Tax Return. If the death occurred between January 1 and October 31, the deadline for filing is April 30,

2008. If the death occurred in November or December, the tax return must be filed within six months after the date of death.

December

December 15 – Quarterly tax installment due.

December 31 – Deadline for charitable contributions and payment of any expenses you plan to deduct in the 2008 tax year. This is also the deadline for converting your RRSP and, if applicable, the final date for making an RRSP contribution, if you turned 71 in 2008.

Test your RRSP IQ!

How much do you know?



1. What's the deadline for making your 2007 RRSP contribution?

- a) Dec. 31, 2007 c) Mar. 1, 2008
b) Feb. 29, 2008 d) Apr. 30, 2008

2. What is the maximum RRSP contribution limit for the 2007 tax year (assuming no carryforward room or pension adjustment)?

- a) \$18,000 c) \$20,000
b) \$19,000 d) \$21,000

3. How much would you need to have earned in 2006 to contribute the maximum for 2007?

- a) \$105,556 c) \$150,556
b) \$125,556 d) \$200,000

4. Where can you find your contribution limit (including carryforward room)?

- a) Consult your 2006 Notice of Assessment
b) Log into My Account at www.cra-arc.gc.ca
c) Call the Canada Revenue Agency TIPS service at 1-800-267-6999
d) All of the above

5. How much would you save in taxes if you contribute \$15,000 to your RRSP and your marginal tax rate is 38%?

- a) \$3,300 c) \$15,000
b) \$4,300 d) \$5,700

6. Suppose that you contribute \$400 a month to your RRSP for the next five years and then stop contributing. How much will your plan be worth five years from now if it earns an average annual compound rate of return of 7%?

- a) \$24,000 c) \$28,639
b) \$25,680 d) \$40,749

7. If you leave that money in your plan and make no further contributions, what will it be worth 25 years from now, assuming the same average annual compound rate of return of 7%?

- a) \$78,758 c) \$110,824
b) \$100,725 d) \$155,436

8. What is the last day you can contribute to your RRSP (provided you have contribution room)?

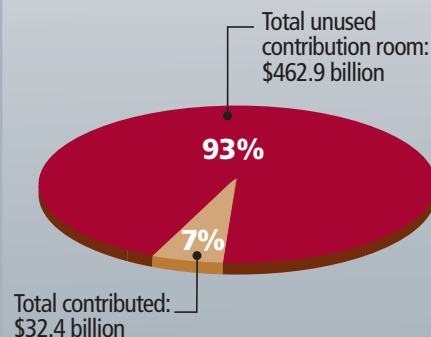
- a) When you turn 65
b) December 31 of the year you turn 69
c) The day before you retire
d) December 31 of the year you turn 71

Answers
1. d) 2. b) 3. c) 4. d) 5. d) 6. c) 7. d) 8. d)

TRENDS & INSIGHTS

Are Canadians taking full advantage of the RRSP opportunity?

- Many are leaving significant contribution room on the table. In 2006, Canadians as a whole contributed only 7% of the total they were allowed to contribute (see Chart, below).
- 88% of tax filers were eligible to contribute.
- 31% of eligible tax filers contributed.
- Median contribution: \$2,730.



Source: Statistics Canada, *The Daily*, November 8, 2007.

¹ CIBC Personal Portfolio Services is a discretionary investment management service provided by CIBC Trust Corporation, a subsidiary of CIBC, to individuals with household investable assets greater than \$100,000. CIBC Managed Portfolio Services is a service which helps you select an appropriate CIBC Managed Portfolio, which is a mutual fund that invests in other CIBC Mutual Funds. An Axiom Portfolio is also a mutual fund that invests in other mutual funds. CIBC Mutual Funds and CIBC Managed Portfolio Services are offered by CIBC Securities Inc., a subsidiary of CIBC. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer, nor are they guaranteed by CIBC. There can be no assurance that Savings Funds will be able to maintain their net asset value per security at a constant amount or that the full amount of your investment will be returned to you. The values of Income and Growth Funds change frequently. A minimum investment of \$25,000 is required for an Axiom Portfolio. Axiom Portfolios are managed by CIBC Asset Management Inc.

² Applicants must meet all CIBC lending criteria. Certain conditions and restrictions apply. Amount of loan is determined by CIBC at its sole discretion. Available amortization periods depend on the size of your loan. To be eligible as an RRSP contribution for 2007, proceeds from the loan must be contributed to an RRSP by the contribution deadline for 2007 (Feb. 29, 2008). CIBC Imperial Service is available in select markets and is most appropriate for individuals with household investable assets of \$100,000 or more. CIBC Imperial Service is part of Canadian Imperial Bank of Commerce ("CIBC").

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