

# Dollars & SENSE

Ladysmith & District  
Credit Union™  
service since 1944

December 2011

Our Community. Your Credit Union.™

vol. 1 no. 12



Protesters walk by a Wells Fargo Bank. (Paul Sakuma Associated Press)

## A movement designed to encourage consumers to ditch traditional banks has Canadians talking.

People quotes excerpted from a Nov. 5, 2011 posting by Andrea Lee-Greenberg, producer of community and social media for CBCNews.ca

Bank Transfer Day was a consumer activism initiative calling for a voluntary switch from commercial banks to not-for-profit Credit Unions by November 5, 2011. The event was in response to what critics regarded as aggressive fees that big banks planned to roll out.

A Facebook page devoted to the effort stated "If the 99% removes our funds from the major banking institutions to non-profit credit unions on or by this date, we will send a clear message to the 1% that conscious consumers won't support companies with unethical business practices." As of December 30, 2011, the page had drawn more than 60,900 likes.

On Nov. 3, a CUNA, (Credit Union National Association), survey showed that

approximately 650,000 people had joined Credit Unions since Sept. 29...and that they had brought about \$4.5 billion in deposits with them. To put those numbers in perspective, more people joined Credit Unions in October than had done so in the entirety of 2010.

### The road ahead

Though the final numbers are still coming in, it's clear that Bank Transfer Day was a resounding, if unanticipated, success for the Credit Union movement, which gained an enormous number of new members and a great deal of free publicity concerning the nature of their model. Already, the movement is abuzz with chatter about how to continue building momentum, with suggestions including increasing outreach to the "unbanked" and initiating a "national branding campaign."

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## NOTICE of our 67th ANNUAL GENERAL MEETING

Tue., APRIL 17, 2012

at the

EAGLES' HALL  
29 French Street,  
Ladysmith, BC

### DIRECTOR NOMINATIONS

At the Annual General Meeting to be held on April 17, 2012, the three year terms of 2 directors will need to be filled.

All candidates seeking election to the Board of Directors must complete and submit a nominations package to the Nominations Committee by the nomination deadline of February 17, 2012. Packages can be picked up at the Credit Union or downloaded from our website at [www.ldcu.ca](http://www.ldcu.ca).

Each member in good standing of the Ladysmith & District Credit Union who is 19 years of age or older; is entitled to sponsor the nomination of one candidate.



According to our Credit Union Rules, a member in good standing is a member, who at the date on which good standing is determined:

- a) has purchased, paid for, and holds, the number of Membership Equity Shares required by the Rules;
- b) has been a member of the Credit Union for at least ninety (90) days;
- c) is not more than ninety (90) days delinquent in any obligation to the Credit Union; and
- d) has paid an annual membership fee as determined from time to time by the Directors, (if required).

Please note:

1. Where each member in joint tenancy individually holds sufficient Membership Equity Shares to meet membership requirements, (\$25 per separate member), both may nominate a candidate.

2. A member that is a legal entity and not an individual, (i.e. limited company, registered society, or other legal entity), may authorize in writing, one person, on its behalf, to exercise its right to nominate a candidate.

3. Credit Union members who are eligible to stand for election to the Board of Directors must qualify pursuant to the Company Act, Financial Institutions Act, and the Credit Union Incorporation Act. In addition, the must be a member in good standing for a period of 12 consecutive months, be a minimum of 19 years of age, and qualify subject to the rules of LDCU.



### Safety Deposit Boxes

For all members with a safety deposit box, please be advised that we will be charging the annual fee for 2012 on Feb, 1st, 2012.

Please contact us if you cannot remember the size of your box or the associated fee.

Starting in 2013, the fee will be charged on January 1st of each year, and a notice will be sent to our members prior January 1st.



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## The Board of Directors



It's surprising how many Credit Union members are unaware of what their Boards do and how important it is to be an educated participant in the electoral process. As in any democracy, the people elected to represent member interests are responsible for and accountable to the economic well-being of the people who voted them into office. So here's some quick schooling to bring you up to speed on the duties of a Board, your role in the decision-making process, and what you should know if you want to run for a position.

A Credit Union is a business and must be run accordingly. Your Board of Directors sets the policies and procedures affecting everything from business operations, to community involvement, to dividends. The Board also represents the membership's collective values concerning social, environmental and economic responsibility.

A Director's position is voluntary although expenses are covered, directors are reimbursed for attending meetings, and an honorarium is provided. Directors devote a significant number of hours preparing for and attending regular monthly board meetings. Additional time is also spent serving on various advisory committees such as Audit, Investment and Lending, or Governance.

Either two or three Board positions are up for nomination each year. Members in good standing may nominate candidates, and then a campaign ensues. If they are required, elections are held each year at the Annual General Meeting (AGM).

While a good heart and clear mind are important attributes, prospective Directors should also possess pertinent experience and skill sets. Are they passionate about the well-being of the community at large? Do they understand financial statements? Can they analyze management reports? Strong leadership, communications and technology skills are assets, and previous Board experience of some kind is a definite plus.

Our Credit Union is only as strong as its Board of Directors. That's why it is so important for well-informed members to show up when election time comes around and, like they say, Rock the Vote.

Are you interested in learning more about your Board of Directors or running a campaign to become a Director? Visit our website at [www.ldcu.ca](http://www.ldcu.ca) for more info.

## A Great Start.



# 2%

**TERM DEPOSIT SPECIAL**

18 MONTH NON-REDEEMABLE



## BANK TRANSFER DAY MOVEMENT

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"Bank Transfer Day" is not officially affiliated with the global Occupy movement, but shares similar anti-corporate sentiments. The main sentiments CBCNews.ca commenters expressed in the stories comments section were support for this concept and frustration with the structure of traditional banks.

Here's what people are saying.

*"I remember a time where banks actually paid interest. Now they want to nickle and dime us just for the honour of letting them use our money."* - Whirl'd Pease

*"Didn't know this was happening but it's exactly what I'm in the midst of doing as the Bank of Montreal - BMO - sent me a letter advising me that its fees are nearly doubling."* - dazzled

Others offered that they'd been with a credit union for years.

*"I have been a credit union member for at least the last 40 years. Tried a bank once. Didn't like the way I was treated and went right back to the credit union..."* - WilliamD

*"My husband and I began dealing with Credit Unions years ago, and we have NEVER been gouged as deeply as the big banks gouge! We know the people who staff the credit union, we have a SAY in their operation, and we are satisfied!"* - Country Girl

*"Why not? I got sick of banks and switched to a credit union more than twenty years ago, and the service is superior to the banks. And although I do pay some fees, at least I know they're not going towards some CEO's fat salary."* - grizzlybear



## Invest in Your Future With an RRSP

Most Canadians know that investing in a Registered Retirement Savings Plan (RRSP) is a good idea. But since starting an RRSP often means a bit of sacrifice, it's not unusual for a lot of us to procrastinate. Just don't put it off too long: taking care of yourself in retirement is something only you can do, and the sooner you start, the better off you'll be.

Remember, the deadline to make contributions for the 2011 tax year is February 29, 2012.

### To RRSP or not to RRSP?

Sure it would be great to contribute a large amount to an RRSP at the end of the tax year, but if you can't, don't worry. There are other options. In fact, if you set up a savings plan that deducts a monthly or biweekly amount from your paycheque or Credit Union account, you'll probably wind up further ahead in the long run since your money will have more time to grow tax-free. Plus, beat this year's deadline and you could get a tax refund. And remember, earnings on RRSP investments aren't taxed until withdrawn.

Another option is to consider an RRSP loan. RRSP loans can make a lot of sense if you don't have cash on hand to make a contribution. Don't borrow, however, unless you are able to make the payments.

### Following the Rules

- You can invest 18 percent of your previous year's earned income, to a maximum of \$22,450 to an RRSP for the 2011 tax year.
- Unused contributions can be carried forward for an unlimited period. If you come into an unexpected windfall, you might consider using some of it to maximize your RRSP contribution or make up for missed contributions from previous years.
- Wise investors use their tax refund to top up their RRSP or pay down their RRSP loan if they borrowed to make their RRSP contribution.

Consider arranging for source deductions through your employer and transferring amounts to a group plan. By doing so, you can get the benefit of the RRSP tax deferral right away instead of having to wait until tax time for a refund. If you don't have a group plan at work, you can still make contributions before income tax is levied on your earnings.

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### We're committed to our environment.

Help us be green by recycling and passing this newsletter on to friends, family and neighbours who may not have received a copy.



## INVEST IN YOUR FUTURE cont. from p 3

### Dos and don'ts of investing in an RRSP

- Do cut down on unnecessary expenses and invest that money in an RRSP so it can compound in a tax-deferred account.
- Do use your tax refund and borrow if you must to maximize your RRSP contribution. But don't delay in repaying your loan if you borrow or you'll pay heavily in additional interest charges.
- Do remember that even if you are over age 71, you may have earned income and RRSP contribution room. If your spouse is under age 71 and you have income from a rental property or employment, you can make a spousal contribution and claim the deduction.
- Do reap the benefits of tax breaks, but don't make that your only goal. RRSP funds can be used for more than your retirement. First time home buyers can withdraw up to \$25,000 under the Home Buyers Plan and full-time students can withdraw up to \$20,000 over four years for training or education under the Lifelong Learning Plan.
- Don't wait because you think you can't afford it.
- Don't forget your RRSP has to be dismantled in your 71st year. It can be converted to a Registered Retirement Income Fund (RRIF) with the provision that specific withdrawals be made annually, while taxes are deferred on the rest of the assets.

Questions about RRSPs or planning for your retirement? Visit our website at [www.ldcu.ca](http://www.ldcu.ca), or talk to one of our knowledgeable investment specialists today.

# DEPOSITS

# 100% GUARANTEED

As a BC Credit Union member, your deposits carry **unlimited deposit insurance protection**, as outlined by the Credit Union Deposit Insurance Corporation.



330 First Avenue, Box 100  
Ladysmith, BC V9G 1A1  
Phone: 250-245-2268

[www.lcuinsurance.ca](http://www.lcuinsurance.ca)

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## Worth Talking About.



Compare our exclusive line of SMART insurance products. Offering better coverage, lower deductibles and in many cases lower premiums, our SMART products are the better alternative.

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