

MAX your RRSP Strategy

Catch Up - Gross Up Combination Analysis

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Assumptions

\$500	New monthly investment
50%	% of cash flow for one Catch Up loan
33.3%	Tax rate
5.0%	Annual return (expected)
5.0%	New inflate rate for savings

Current Behaviour

\$500	Current monthly investment
0%	% of RRSP refunds reinvested
20%	% of time that skip contributions
20	Years to retirement
0.0%	Current inflate rate for savings

Catch Up Loan

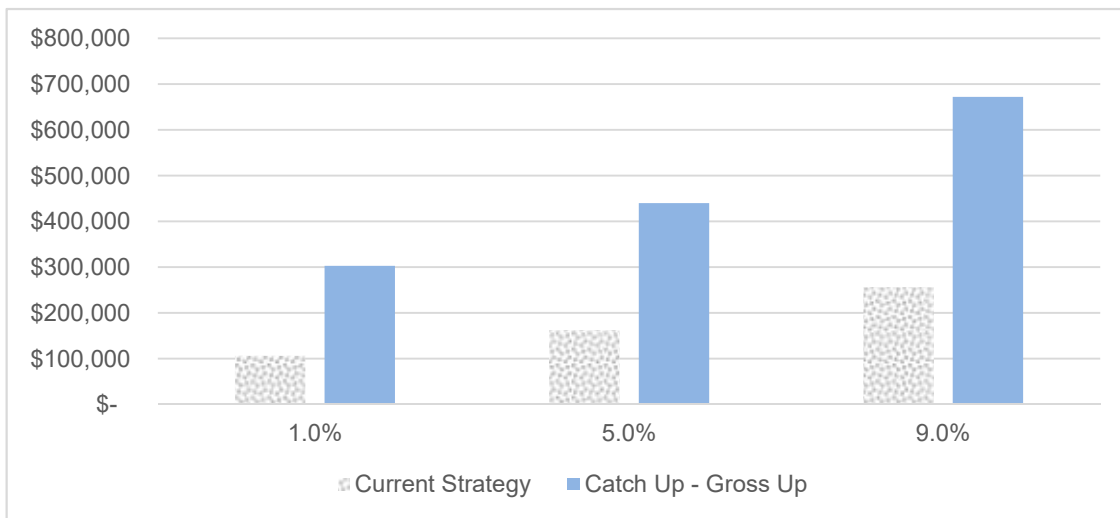
\$250	Monthly loan payment
9	Term (years)
7.0%	Interest rate

\$29,983	Initial Loan
33.3%	Tax rate for Catch Up refund
\$19,990	Loan balance after refund

After Catch Up loan is paid off, all cash flow is Grossed Up with automatic savings and inflated. Grossed Up deposits are \$375/mn in year 1, and \$1,163/mn in year 10, after loan is paid off.

Catch Up - Gross Up Analysis Summary

RRSP Values after 20 Years, 7.0% Loan, 5.0% Returns



	RRSP Value	\$ Increase	% Increase
Current Strategy	\$162,322	N/A	N/A
Catch Up - Gross Up	\$440,054	\$277,732	171%