

# RRSP & TFSA

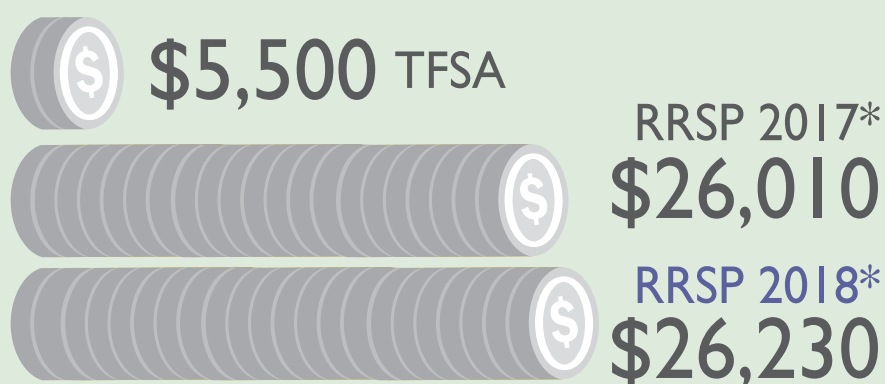
Registered Retirement Savings Plan

Tax-Free Savings Account

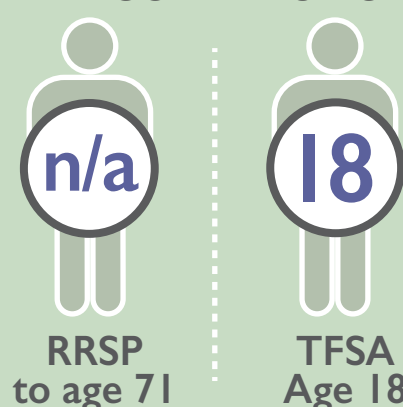
Often, saving for the future involves using both RRSPs and TFSAs.

## INVESTING

### ANNUAL CONTRIBUTION LIMITS



### ELIGIBILITY AGE TO START CONTRIBUTIONS



Cash, GICs  
Term Deposits



Bonds, Stocks  
and Equities



Mutual  
Funds



RRSP  
benefits from  
**tax-deferred**  
growth

TFSA  
benefits from  
**tax-free**  
growth

## ELIGIBLE INVESTMENTS RRSP & TFSA

### TAX-DEDUCTIBLE CONTRIBUTIONS

✓ **RRSP** Contributions are tax-deductible<sup>1</sup>

✗ **TFSA** Contributions are NOT tax-deductible

## RRSP

## WITHDRAWING FUNDS

## TFSA



Withdrawals are  
taxed as income

RRSP investments grow tax-deferred. Tax is paid when the funds are withdrawn.

No tax on withdrawals

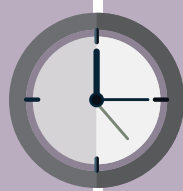
TFSA's are purchased with after-tax dollars so no tax is paid when the funds are withdrawn.



Age when you must convert your RRSP to a RRIF. You must start to withdraw in the year you turn 72.

AGE

71



n/a

There is no age limit when you must start withdrawing funds from a TFSA.

## THE BENEFITS OF TAX-FREE INVESTING

Taxable<sup>2</sup> v. Non-Taxable  
\$5,500 annual investment  
4% annual rate of return  
Age 45 - age 65

\$163,779  
\$144,817

Tax-Free Advantage: **\$18,962**

20 YEARS OF GROWTH

\$405,087

\$319,945

Taxable<sup>2</sup> v. Non-Taxable  
\$5,500 annual investment  
4% annual rate of return  
Age 30 - age 65

Tax-Free Advantage: **\$85,142**

35 YEARS OF GROWTH

<sup>2</sup> Assumes a 30% marginal tax rate. Annual investments made at end of year.

Saving for your future can be a lengthy process. Both RRSPs and TFSAs offer tax advantages and can help you save for your long term and short term financial goals.

Contact me today to discuss the right saving strategy for you.



Investment  
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Source: Canada Revenue Agency: <http://www.cra-arc.gc.ca/tx/rgstrd/papspapar-fefespfer/lmts-eng.html>

This is a general guide only and not intended to replace professional financial and tax advice in any form. Please consult your financial advisor on how it relates to your situation. <sup>1</sup> Your RRSP contribution lowers your taxable income, so you're reducing the amount of tax you have to pay.

\*The RRSP contribution limit varies by individual. Speak with your financial advisor about maximizing your contribution.

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