

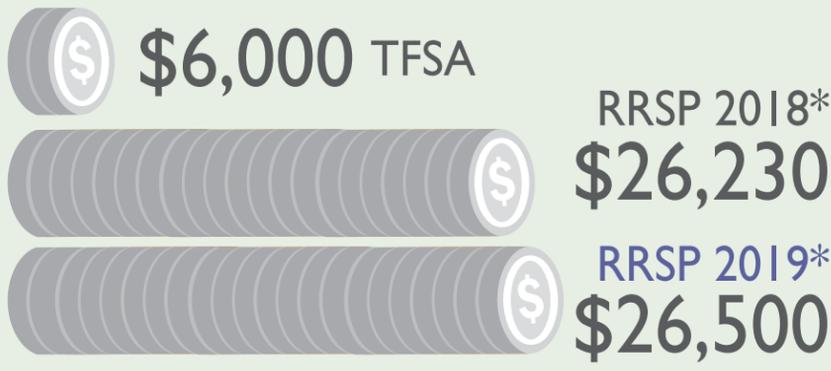
# TFSA & RRSP

Tax-Free Savings Account      Registered Retirement Savings Plan

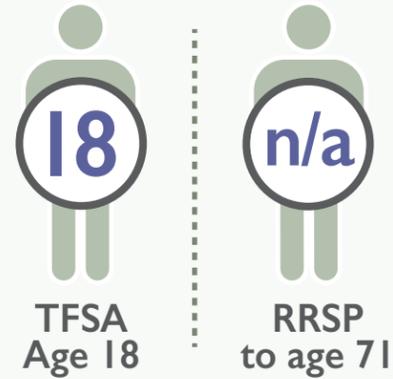
Often, saving for the future involves using both TFSAs and RRSPs.

## INVESTING

### ANNUAL CONTRIBUTION LIMITS



### ELIGIBILITY AGE TO START CONTRIBUTIONS



Cash, GICs  
Term Deposits



Bonds, Stocks  
and Equities



Mutual  
Funds



TFSA  
benefits from  
**tax-free**  
growth

RRSP  
benefits from  
**tax-deferred**  
growth

### ELIGIBLE INVESTMENTS TFSA & RRSP

### TAX-DEDUCTIBLE CONTRIBUTIONS

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

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

### TFSA

### WITHDRAWING FUNDS

### RRSP



**No tax on withdrawals**  
TFSAs are purchased with after-tax dollars so no tax is paid when the funds are withdrawn.



**Withdrawals are taxed as income**  
RRSPs investments grow tax-deferred. Tax is paid when the funds are withdrawn.

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



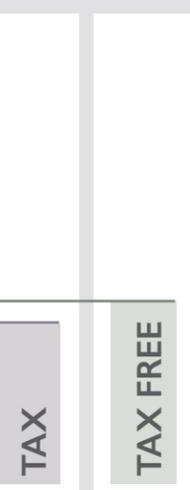
Age when you must convert your RRSP to a RRIF. You must start to withdraw in the year you turn 72.

## THE BENEFITS OF TAX-FREE INVESTING

Taxable<sup>2</sup> v. Non-Taxable  
\$6,000 annual investment  
4% annual rate of return  
Age 45 - age 65

\$178,668  
\$157,982

Tax-Free Advantage: **\$20,686**



20 YEARS OF GROWTH

\$441,913

\$349,030

Taxable<sup>2</sup> v. Non-Taxable  
\$6,000 annual investment  
4% annual rate of return  
Age 30 - age 65

Tax-Free Advantage: **\$92,883**



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 our office today to discuss the right saving strategy for you.



Source: Canada Revenue Agency: <http://www.cra-arc.gc.ca/tx/rgstrd/papsapar-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. <sup>\*</sup>The RRSP contribution limit varies by individual. Speak with your financial advisor about maximizing your contribution.

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