

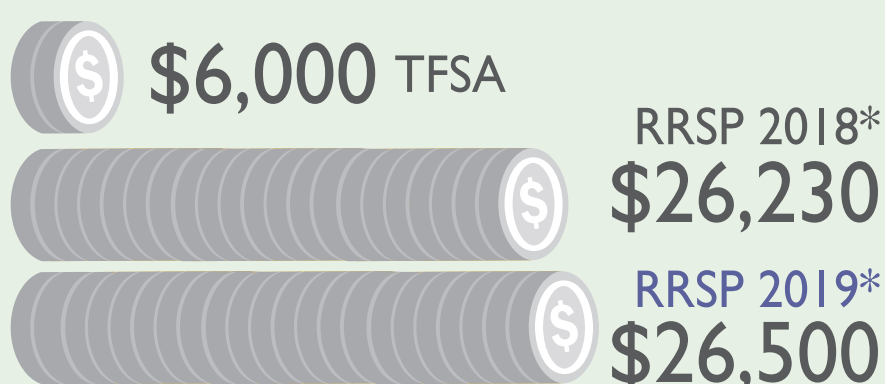
TFSA & RRSP

Tax-Free Savings Account Registered Retirement Savings Plan

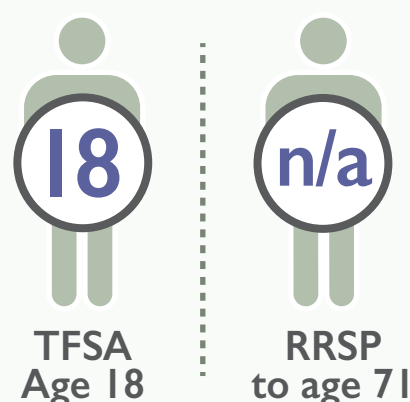
Often, saving for the future involves using both TFSAs and RRSPs.

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-deductible¹

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TFSAs are purchased with after-tax dollars so no tax is paid when the funds are withdrawn.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 Tax is paid when the funds are withdrawn.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.

n/a **71** AGE

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

Taxable² 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**

TAX

TAX FREE

20 YEARS OF GROWTH

\$441,913

\$349,030

Taxable² v. Non-Taxable
\$6,000 annual investment
4% annual rate of return
Age 30 - age 65

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

TAX FREE

TAX

35 YEARS OF GROWTH

² 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 your IPC Advisor 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/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. ¹ 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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