



**MAXIMIZE  
YOUR  
TAX-FREE  
SAVINGS ACCOUNT**



# Your exciting opportunity to invest for tax-free gains



## What is a Tax-Free Savings Account?

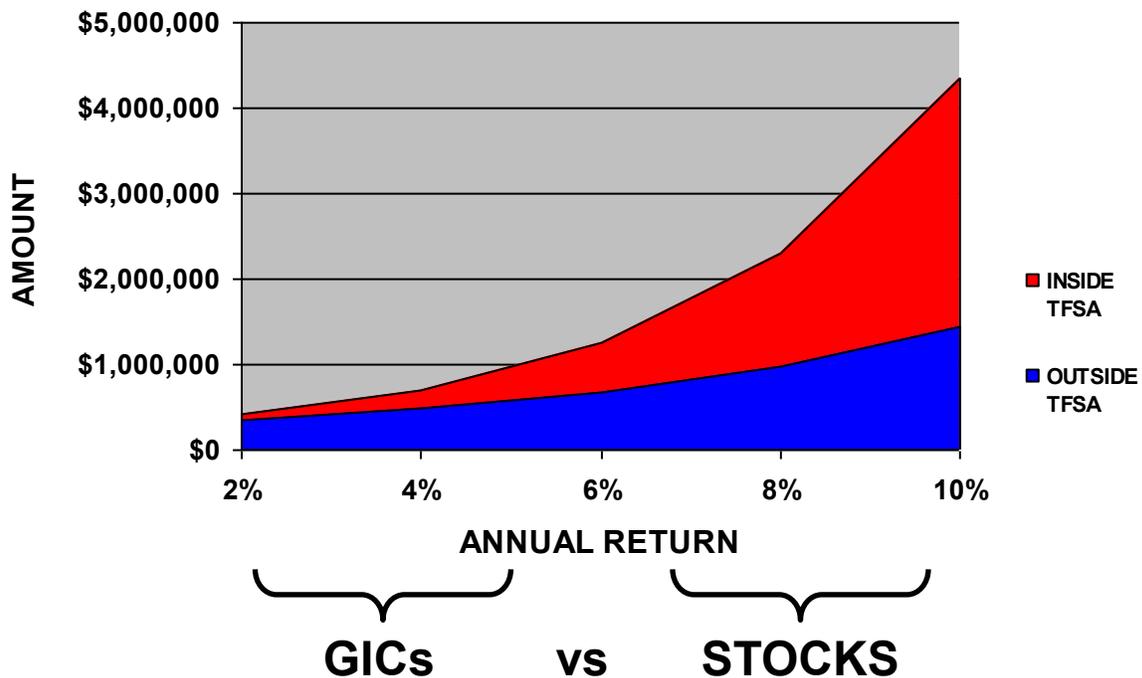
A Tax-Free Savings Account (TFSA) is an investment plan, registered with the Canada Revenue Agency, that can be opened by Canadian residents aged 18 and over. You can contribute up to \$6500 a year and any earnings that accumulate within the plan are tax-free. Withdrawals are tax-free, can be made at any time, and can be used for any purpose. You may re-contribute any withdrawals, up to your contribution limit, the following year or later. Your unused contribution room can be carried forward indefinitely.

## What investments can I hold in my TFSA?

You may hold any investment that qualifies for an RRSP in your TFSA. This includes stocks, bonds, mutual funds, exchange traded funds (ETFs) and other investments. The higher the return on your investments the more you will save as all income and gains are tax free. Therefore, your investment portfolio's after-tax returns can be improved by holding the maximum portion of your portfolio within your TFSA rather than outside of your TFSA.

## Benefit sooner from tax-free growth in a TFSA

The chart below shows how investing only \$5500 annually in a TFSA can offer impressive growth for investors in a 35% tax bracket over 45 years as compared to investing outside a TFSA where taxes are paid. The benefit is greater if the TFSA is invested in higher return investments like stocks, ETFs or growth-focused mutual funds.



# Your TFSA is the right choice for all of your goals



## Reach your lifestyle goals sooner with help from your TFSA

Everyone has different reasons for wanting to build wealth. With a TFSA, your investments increase faster so you can achieve what is important to you sooner. The flexibility of a TFSA lets you use your wealth any time you wish without penalties. You can use it for your short-term and long-term financial goals. Later you may resume contributions again and re-contribute your withdrawals up to your limit.

You are...	Use your TFSA to...	Your benefits are...
<b>An investor starting out</b>	<ul style="list-style-type: none"> <li>• buy a car</li> <li>• help pay for your education</li> <li>• save for a down payment on a home</li> </ul>	<ul style="list-style-type: none"> <li>• Earnings are tax-free, so savings grow faster.</li> <li>• Withdrawals can be made any time without taxes and can be re-contributed in a later year up to your contribution limit.</li> </ul>
<b>In your peak earning years</b>	<ul style="list-style-type: none"> <li>• invest in addition to your RRSP</li> <li>• invest for your child's education</li> <li>• build wealth for personal goals</li> </ul>	<ul style="list-style-type: none"> <li>• If you make maximum RRSP contributions, a TFSA allows sheltering additional returns on investments from tax.</li> <li>• A TFSA is useful for both short-term and long-term savings and investment goals.</li> <li>• Earn unlimited profits without paying tax.</li> </ul>
<b>Retired</b>	<ul style="list-style-type: none"> <li>• re-invest your RRIF withdrawals</li> <li>• make withdrawals for tax-free income during retirement</li> </ul>	<ul style="list-style-type: none"> <li>• Excess funds from RRIF withdrawals can be invested in a TFSA for tax-free earnings.</li> <li>• TFSA withdrawals do not affect eligibility for benefits such as Old Age Security, Age Credit, GST Credit and the Child Tax Benefit.</li> </ul>



## TFSA's can complement your other financial investments

The TFSA is as important to your financial plan as your RRSP. In some ways a TFSA may be better for you than an RRSP. Similar to your RRSP, your TFSA allows you to make unlimited profits on your investments without paying tax. However, unlike an RRSP, a TFSA allows you the flexibility to withdraw money at any time without paying tax. You may use the money for any purpose you wish and you may re-contribute the withdrawal in the next year or in

the future up to your contribution limit. Another advantage a TFSA has over an RRSP is that there is no requirement to cash out of a TFSA once you have reached a certain age and withdrawals do not affect your eligibility for federal benefits such as Old Age Security, GST credit or Child Tax Benefit. There can be additional estate planning tax benefits for spouses.

# TFSA highlights

- Canadian residents, aged 18 or older can invest up to \$6500 yearly.
- Any investment income, including capital gains, you earn inside a TFSA is not taxed even when withdrawn.
- You may invest in stocks, bonds, mutual funds, ETFs, and other investments and make unlimited gains without paying tax.
- Unused contribution room may be carried forward indefinitely.
- Withdrawals are tax-free, however, the money you contribute cannot be deducted on your income tax return.
- Withdrawn amounts can be contributed back into your TFSA in future years up to your contribution room limit.
- Withdrawals do not affect your eligibility for federal government benefits such as OAS, Age Credit, GST Credit or Child Tax Benefit.
- You may make a withdrawal at any time and there are no restrictions on how the money is used once withdrawn.

For more detailed information on TFSA investing and how it can help you reach your financial goals please contact:



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