

## Tax-Free Savings Account (TFSA) Overview

- **What It Is:**

A TFSA is an investment account available to Canadian residents aged 18 or older. It allows your money to grow tax free, and you can withdraw funds at any time without paying tax.

- **Key Features:**

- **Tax Benefits:** Investments grow tax free, and withdrawals incur no tax.
- **After-Tax Dollars:** Contributions are made with money that has already been taxed.
- **Flexibility:** There is no requirement to contribute every year. Unused contribution room carries forward indefinitely, allowing you to "catch up" later.
- **Withdrawals:** You can take money out at any time, for any reason, without paying tax. Plus, the amount you withdraw is added back to your contribution room the following year, making it easy to re-contribute later.

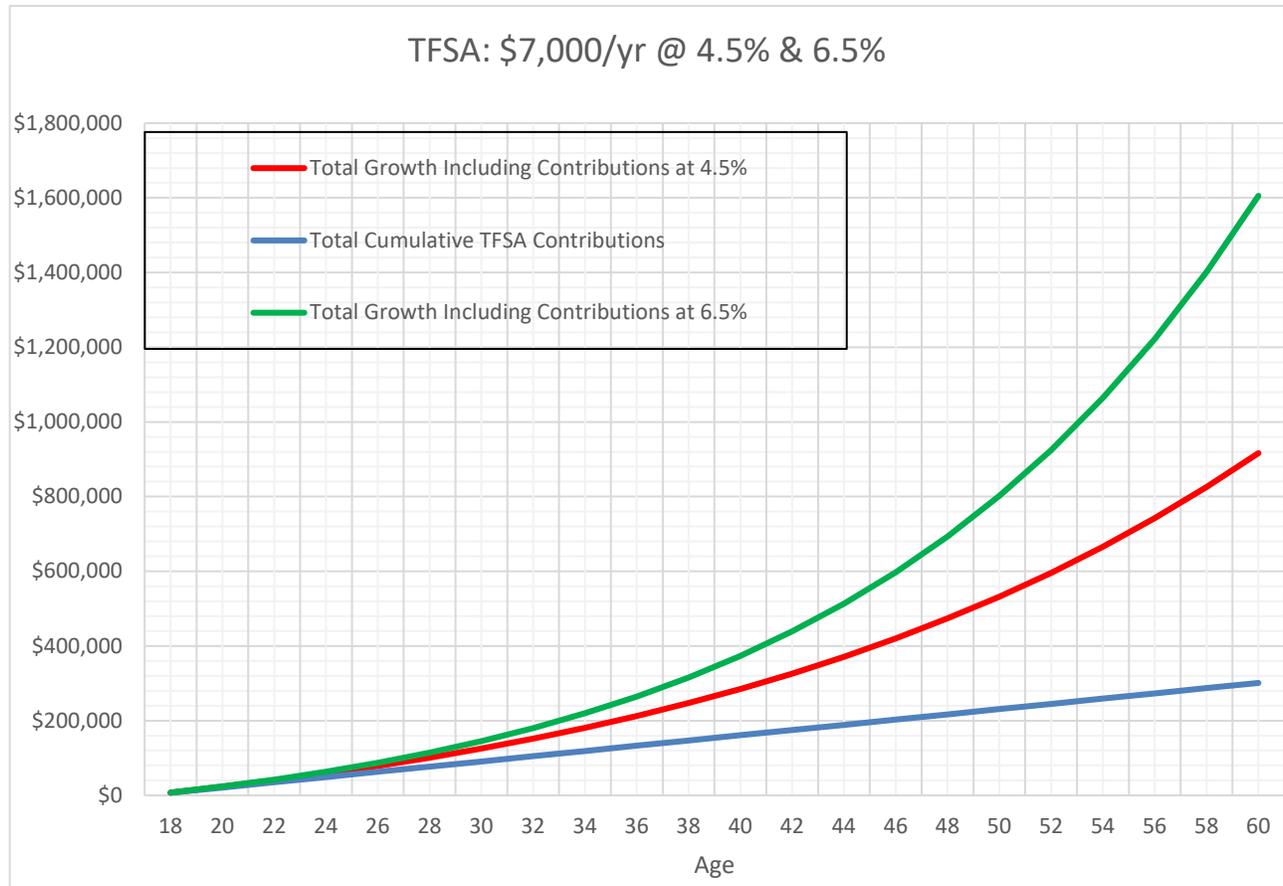
- **Investment Options:**

Your TFSA can include a variety of investments such as GICs, mutual funds, stocks, and bonds—similar to the options available in other accounts.

### Illustrating the long-term benefits of investing in your TFSA

The chart below highlights the **power of compounding growth** within a TFSA. Over time, the growth lines (red and green) diverge significantly from the steady contribution line (blue), emphasizing how higher returns result in **substantial long-term wealth accumulation**.

By age 60, your TFSA will exceed \$900,000 at 4.5% annualized growth, and \$1.5 Million at 6.5%, demonstrating the advantage of investing consistently.



Source: Created by Author

\*Assumes annual contributions of \$7,000 with no withdrawals, compounded annually.

\* These projections are hypothetical and for illustrative purposes only. Actual returns may vary and are not guaranteed.

Age 60

Total Amount Invested: **\$301,000**

TFSA value at 4.5% annualized return: **\$916,397**

TFSA Value at 6.5% annualized return: **\$1,605,462**

\*While the TFSA itself is tax-sheltered, the investments within it may fluctuate in value and are not guaranteed.

## Contribution Limits

### Annual TFSA Contribution Limit (2025): \$7,000

- **Lifetime Limit (as of January 2025):** Up to \$102,000 for those who have been eligible since the TFSA's inception in 2009.
- For example, if you turned 18 in 2009 (or before), you could have accumulated up to \$102,000 in TFSA contribution room by 2025.
- If you turned 18 in 2025, your available room would start at \$7,000.
- Fun fact... it only takes \$19.18 a day to fully contribute to your TFSA in a calendar year.

Year	Dollar Limit	Cumulative
2009	\$5,000	\$5,000
2010	\$5,000	\$10,000
2011	\$5,000	\$15,000
2012	\$5,000	\$20,000
2013	\$5,500	\$25,500
2014	\$5,500	\$31,000
2015	\$10,000	\$41,000
2016	\$5,500	\$46,500
2017	\$5,500	\$52,000
2018	\$5,500	\$57,500
2019	\$6,000	\$63,500
2020	\$6,000	\$69,500
2021	\$6,000	\$75,500
2022	\$6,000	\$81,500
2023	\$6,500	\$88,000
2024	\$7,000	\$95,000
2025	\$7,000	\$102,000

**Melanie Gotts, B.Comm, FCSI, CIM**  
Portfolio Manager

**Melanie Gotts & Blair Sweeney Wealth Management**

**RAYMOND JAMES®**



**Raymond James Ltd.**  
**Independent Financial Services**

Suite 100 - 2631 28th Avenue  
Regina, SK, Canada S4S 6X3  
Regina: 306.359.2283 • Cell: 306.450.1177  
Melville: 306.728.8808  
melanie.gotts@raymondjames.ca  
www.raymondjames.ca/melaniegotts

Should you have any inquiries regarding TFSA accounts, wish to discuss the opening of a TFSA account, or consider transferring your TFSA to Raymond James, please do not hesitate to contact our office at 306-359-2283.

Information in this article is from sources believed to be reliable; however, we cannot represent that it is accurate or complete. It is provided as a general source of information and should not be considered personal investment advice or solicitation to buy or sell securities. The views are those of the author, Melanie Gotts, and not necessarily those of Raymond James Ltd. Investors considering any investment should consult with their Investment Advisor to ensure that it is suitable for the investor's circumstances and risk tolerance before making any investment decision. Raymond James Ltd. is a Member Canadian Investor Protection Fund.