

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

\$6,000
TFSA

\$27,830
2021 RRSP

\$29,210
2022 RRSP*

Eligibility age
to start
contributions



TFSA
age
18 or 19*



RRSP
to age 71



Cash and
Term Deposits



Bonds, Stocks
and Equities



Mutual
Funds

TFSA & RRSP Eligible Investments

Tax-deductible contributions



TFSA

Contributions are
NOT tax-deductible

Benefits from **tax-free** growth

Contributions are
tax-deductible

RRSP



Benefits from **tax-deferred** growth

Withdrawing Funds

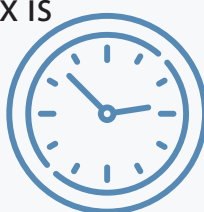
TFSA

No tax on withdrawals



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are withdrawn.

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



Withdrawals are
taxed as income

RRSPs investments grow
tax-deferred. 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withdrawn.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.



RRSP

AGE
71

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 TFSAs and RRSPs offer tax advantages and can help
you save for your long term and short term financial goals.

Contact your Raymond James Advisor today.

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Source:
Canada Revenue Agency: canada.ca/en/revenue-agency/services/tax/registered-plans-administrators/pspa/mp-rrsp-dpsp-tfsa-limits-ympe.html
* In certain provinces and territories, the legal age at which an individual can open a TFSA is age 19. This image was prepared as a general guide only and is not intended to provide or replace professional investment or tax advice. For your own specific situation, please consult your own tax and investment advisors. The values illustrated are not guaranteed. They are based on numerous assumptions that are certain to change and are neither an estimate nor a guarantee of future performance. Actual results will vary over time and may differ from the example provided.

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