

Tax-Free Savings Account

Contribution time
is here again!



TFSA FACTS

- As of January 1, 2013 the contribution limit for all Canadian residents age 18 and older has been increased to \$5,500.00 per year.
- Any unused TFSA contribution room is carried forward and accumulates for future years up to a lifetime limit of \$36,500.
- The TFSA allows you to accumulate savings on a tax-free basis (there is no tax payable on dividends, interest, capital gains inside a TFSA). Although there is no tax advantage when you make a contribution, there is no tax payable when you withdraw from the plan.
- A wide range of investment products can be bought in a TFSA (equities, bonds, ETFs, etc.).
- Additionally, you may hold U.S. securities in your TFSA account and trades processed in those accounts are permitted to settle in U.S. dollars.

WHY A TFSA?

- The TFSA can be used with your RRSP as a powerful long-term savings vehicle to help fund future retirement.
- The TFSA can be used as a savings vehicle to save for major future expenses. Any withdrawals increase your future contribution limit beginning in the next tax year.

WHAT TO DO

- We strongly recommend every client consider holding and maximizing the TFSA.
- If you currently hold a TFSA at your bank, you may wish to consider transferring it to us. Many bank-administered TFSAs are in GICs with very low interest rates. TFSAs are not merely savings accounts, they are excellent investment vehicles.
- If you have yet to open a TFSA, we can set up one here.
- If you have a TFSA here, we recommend that you give us a call to discuss making your contribution early in the year to maximize potential returns. Or set up a frequent purchase plan (FPP) so that funds are transferred monthly from your bank.



Give us a call or send us an email. We're here to help.

Ken Andras | John Andras | Will Andras | Patrick Thompson

Look for us at andrasgroup.ca

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