

TFSA

Even better when used with RRSP tax refunds or RIF payments

Funding your TFSA with your RRSP Tax Refund

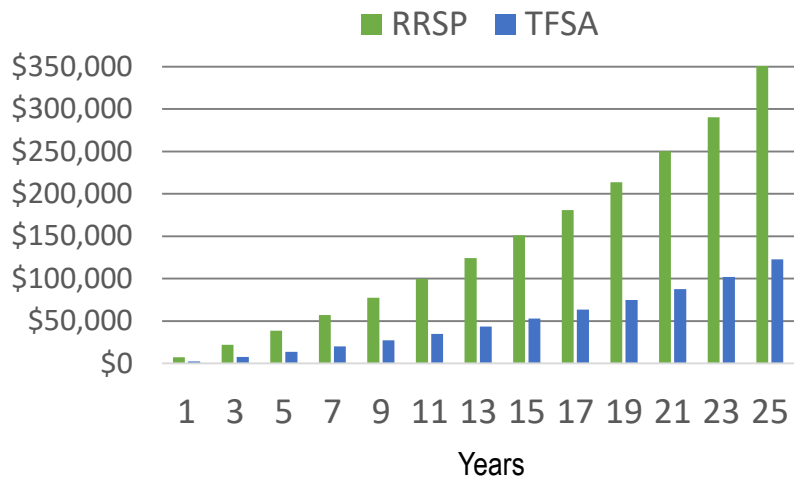
An RRSP is an excellent way to save for retirement because it allows you to defer taxes while building a retirement nest egg, which may ultimately help you pay less tax on your earned income. By investing your tax refund from RRSP contributions in a TFSA, you give yourself the added flexibility of tax-free savings that can be used to build an emergency fund, or other savings goals you are working toward. A TFSA can also be advantageous in retirement because withdrawals are not reported as income, and do not impact your eligibility for income-tested government benefits, such as Old Age Security (OAS), Guaranteed Income Supplement (GIS) or the Good and Services Tax (GST) credit.

Watch your savings grow!

Interested in how this strategy works? In this example, a \$7,000 annual RRSP contribution could generate a \$2,450 annual tax refund*. If that tax refund was invested into a TFSA . . .

After 25 years you would have saved:

RRSP: \$350,794 (withdrawals are taxable)
TFSA: \$122,788 (withdrawals are not taxable)



* Illustration based on a 35% marginal tax rate and a 5% annual rate of return.

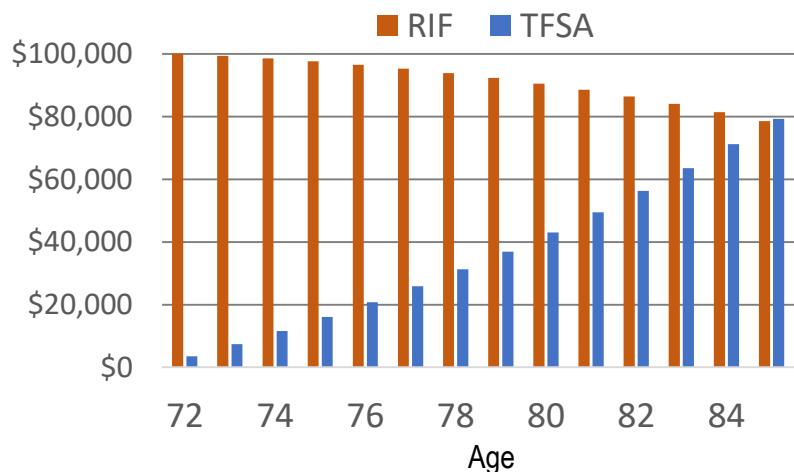
Funding your TFSA with your Annual RIF Payment

At age 71 RRSPs are automatically converted to RIFs and an automatic minimum annual withdrawal occurs. Your RIF will continue to grow on a tax-deferred basis, even as the withdrawals occur.

In this example, the illustration assumes a \$100,000 RIF requiring a minimum withdrawal of \$5,400 at the end of the year the annuitant turns 71. The after tax dollars of \$3,510* may then be deposited to the TFSA . . .

At age 85:

RIF: \$78,599 (withdrawals are taxable)
TFSA: \$79,287 (withdrawals are not taxable)



* Illustration based on a 35% marginal tax rate and a 5% annual rate of return.

Using your RRSP tax refund or RIF payment to fund a TFSA combines many benefits into one part of a successful retirement financial strategy.

Contribution Room

Year	Amount
2009 – 2012	\$5,000
2013 – 2014	\$5,500
2015	\$10,000
2016-2018	\$5,500
2019	\$6,000

Lifetime Limit \$63,500



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