



COMPARISON OF SAVINGS OPTIONS

There are some exceptions to the following, as well as risks and benefits. Please contact our team for more information.

	Non-Registered	Registered Retirement Savings Plan (RRSP)	Tax-Free Savings Account (TFSA)
Annual contribution limit	Unlimited	Yes – based on earned income	Yes – no earnings requirement
Legislated minimum age to contribute	No	No	Yes – age 18
Legislated maximum age to contribute	No	Yes – end of year you turn age 71	No
Carry-forward of unused room	n/a	Yes	Yes
Tax-deductible contribution	No	Yes	No
Monthly penalty on excess contributions	n/a	Yes – on excess on month end	Yes – on highest excess during month
Tax-deferred/tax-free investment growth	No	Yes – tax deferred	Yes – tax free
Taxable on withdrawal	Taxable disposition	Fully taxable	Tax-free – except for growth after death if spouse not successor holder
Withdrawals added to contribution room	n/a	No	Yes – but not until the following calendar year
Withdrawals impact Federal income-tested benefits and tax credits	Yes	Yes	No
Interest deductible on loan to invest	Yes	No	No
Available for use as collateral for a loan	Yes	No	No
Tax-deferred/tax-free transfer to spouse on death	Yes	Yes	Yes – if successor holder or value at date of death
Tax-deferred/tax-free to second generation on death	No	No – fully taxable unless financially dependent	Yes – investment income after date of death is taxable
Loss denied on transfer in-kind to plan	Yes	Yes	Yes

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