



Wealth Management
Dominion Securities

Choosing the right Tax-Free Savings Account

Find out if a discretionary-managed TFSA is right for you

Ask us for more information about integrating your TFSA into your overall wealth plan.

Opening a Tax-Free Savings Account (TFSA) is a smart way to save or earn investment income without paying taxes. Depending on your needs, you may be considering a typical savings-style TFSA or a discretionary-managed TFSA through our Private Investment Management (PIM) program. The following table compares these two options.

	Discretionary (PIM) TFSA	Typical savings-style TFSA
Growth potential	Greater investment options means greater potential returns based on the investments you hold, markets and your investment strategy.	Growth is based on balance of your account and savings account interest rates. If mutual funds are included in the TFSA, growth is based on investment choices.
Access to quality investment products	Choose from industry-leading RBC or third-party investment products.	Product options generally limited to the financial institution's mutual funds (no third-party funds).
Investment options	A wide range of investment options, which allow you to take a proactive approach to building tax-free returns: <ul style="list-style-type: none"> • Cash • Over 30 different GIC issuers • Government and corporate bonds • Access to large range of RBC and independent mutual funds • Publicly traded equities 	Limited savings / investment options, such as: <ul style="list-style-type: none"> • Cash • GICs • Single-manager mutual funds
Number of trades	Unlimited, as per your discretionary account agreement.	Unlimited mutual fund trades, however there may be short-term trading fees.
Investment advice	Professional, tailored investment advice in accordance with your overall investment objectives.	Varies from no advice to personal advice based on your investor profile.
Costs	Included in your PIM investment management fee.	Typically no fee, but there may be an annual flat fee.



While the annual contribution amount may seem low, if a family of four contributes to their TFSAs for the years 2009-2017, they could set aside up to \$208,000 as a family to grow tax-free.

Integrating your TFSA into your overall wealth plan

Tax planning

- Gift monies to lower-income family members to contribute to their own TFSAs – without attribution of investment income back to you for tax purposes.
- Create a tax-free income stream with capital gains, dividends or interest income from your TFSA.

Estate planning

- Create a living legacy today by gifting funds for a loved one's TFSA.
- Transfer tax-sheltered TFSA growth to your spouse upon death.

Retirement planning

- Boost tax-sheltered retirement savings in coordination with your RRSP contributions.
- Reinvest unused RRIF payments to fund your TFSA.

Financial planning

- Save more efficiently and quickly to achieve short- or long-term financial goals with compounded tax-free growth.

- Create a contingency fund to supplement income or business cash flow needs.

Education savings

- Provide a tax-free source of funds for children or grandchildren to use for tuition, books, or other postsecondary education costs.

TFSAs at a glance

- The Tax-Free Savings Account (TFSA) allows you to contribute funds and earn tax-free investment income.
- Any Canadian resident 18 years or older with a Social Insurance Number is eligible to open a TFSA (19 for residents of Newfoundland and Labrador, New Brunswick, Nova Scotia, Nunavut, Yukon, the Northwest Territories and British Columbia).
- Contribution room begins accumulating at age 18.
- \$5,000 annual contribution limit for 2009-2012; \$5,500 for 2013-2014, \$10,000 for 2015 and \$5,500 for 2016-2017.
- Carry forward any unused contribution room indefinitely.
- Earn tax-free investment income.

- Benefit from tax-free compounded growth.

- Withdraw funds tax-free.

- Withdrawals are added back to your unused contribution room the following year (be careful not to re-contribute too soon or you may be penalized).

- A wide range of investment options is available.

- Over-contributions will be subject to penalty tax.

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