



2021 Tax Free Savings Account and RRSP Contribution Update

Dear Clients,

As 2021 gets underway, we would like to provide you with the updated contribution limits for TFSAs and RSPs, in order for you to maximize the benefit of these tax-efficient accounts:

Tax-Free Savings Account (TFSA)

Starting January 1, 2021, you can contribute an additional \$6,000 to your TFSA to benefit from additional tax-free investment growth. With contribution room from 2009 through 2021, you may be able to contribute up to the lifetime limit of \$75,500 to your TFSA if you have not contributed before.

With a TFSA, you can contribute up to your contribution limit each year:

- \$5,000 for 2009 – 2012
- \$5,500 for 2013 & 2014
- \$10,000 for 2015
- \$5,500 for 2016 – 2018
- \$6,000 for 2019 - 2021

Earn tax-free investment income including interest, dividends and capital gains, and even make withdrawals – at any time, for any reason – without paying tax. Although this may not sound like much at first, with tax-free compound growth, it can add up over time.

Contribution room accumulates every year starting at age 18, and can be carried forward indefinitely. You can continue contributing to your TFSA even when you're retired.

RRSP Contributions

The annual RRSP deduction limit for the 2020 tax year is \$27,230. For your exact contribution limit, please check your latest Notice of Assessment, Notice of Reassessment or RRSP Deduction Limit Statement, or contact Canada Revenue Agency directly (1-800-959-8281).

The RRSP contribution deadline for the 2020 tax year is March 1, 2020.

You can also choose to make your 2021 contribution at any time, and the annual RRSP deduction limit for the 2021 tax year is \$27,830.

If you have any questions about TFSAs or RRSPs, or any other information regarding your account(s), please do not hesitate to contact us.

Best regards,
Ord Private Wealth Management
John, Tim, Liam & Kristen