

Tax-Free Savings Account Fast Facts

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There's so much to save for – and the Tax-Free Savings Account (TFSA) offers key incentives to do so. A TFSA enables you to invest after-tax money into an account where any subsequent earnings growth (interest, capital gains or dividend income) is not subject to further taxation. Neither are withdrawals.

TFSAs vs. Registered Retirement Savings Plans (RRSPs) vs. Cash Accounts – How They Measure Up

Depending on what you're saving for – a milestone, such as a new home or simply for a rainy day – the key features below can help determine how a TFSA can fit into your overall financial plan.

Product Features	TFSAs	RRSPs	Cash Accounts
Annual contribution limit	\$7,000 for 2024 (plus unused contribution room)	The lesser of \$30,780 for 2023 / \$31,560 for 2024 and 18% of earned income from your previous tax year, minus any pension adjustments, plus unused contribution room from previous years	No limits
Tax deductible contribution	No	Yes	No
Contribution carry-forward	Yes	Yes	N/A
Taxable consequences	No tax on growth and no tax on withdrawals	Withholding tax when withdrawn; the amount withdrawn is added to taxable income	Fully taxable earnings growth
Capital loss on investment	Cannot claim	Cannot claim	Can offset capital gains (three preceding tax years, carried forward indefinitely)
Maximum age for contribution	No	Yes (December 31 of the year you turn 71)	No
Re-contribution of withdrawals	Yes (in subsequent calendar year)	No (except for Home Buyer's Plan and Lifelong Learning Plan)	Yes
Overcontribution penalty	Yes, 1% per month on over-contribution amounts (even if contribution was withdrawn subsequently in same tax year)	Yes, 1% per month if you exceed the \$2,000 lifetime over-contribution amount	N/A

What You Need to Know

To Open a TFSA, an Investor Needs:

- A Canadian Social Insurance Number
- To be 18 years of age or over
- To be a Canadian resident

NOTE: You do not need to have earned income or be filing an income tax and benefit return..

Contributions

Year	TFSA Annual Limit	TFSA Cumulative Limit
2009	\$ 5,000	\$ 5,000
2010	\$ 5,000	\$ 10,000
2011	\$ 5,000	\$ 15,000
2012	\$ 5,000	\$ 20,000
2013	\$ 5,500	\$ 25,500
2014	\$ 5,500	\$ 31,000
2015	\$ 10,000	\$ 41,000
2016	\$ 5,500	\$ 46,500
2017	\$ 5,500	\$ 52,000
2018	\$ 5,500	\$ 57,500
2019	\$ 6,000	\$ 63,500
2020	\$ 6,000	\$ 69,500
2021	\$ 6,000	\$ 75,500
2022	\$ 6,000	\$ 81,500
2023	\$ 6,500	\$ 88,000
2024	\$ 7,000	\$ 95,000

NOTE: This applies to investors aged 18 and older in 2009. An investor born in 1992 (and therefore turned 18 in 2010) would have a cumulative limit of \$90,000 in 2024.

- Unused contribution room can be carried forward to future years
- Any amount withdrawn from a TFSA can be re-contributed in future years without reducing contribution room
- Spouses and common-law partners can give each other an amount to contribute to their own TFSA without triggering attribution rules. TFSA assets can be transferred to a spouse tax-free upon death

Withdrawals

- May be taken at any time without tax penalty
- No limit on the amount of each withdrawal
- Funds may be withdrawn for any purpose

Tax Features

- Earnings growth in plan is tax-sheltered
- Withdrawals from the account remain tax-free
- No impact on taxes and income-tested credits and benefits such as:
 - Guaranteed Income Supplement (GIS)
 - Canada Child Benefit
 - Working Income Tax Benefit
 - Goods and Services Tax credit (GST)
 - Age credit
 - Old Age Security benefits (OAS) or Employment Insurance benefits (EI)

For more information, contact your financial advisor or visit [AGF.com/TFSA](https://www.agf.com/TFSA)

Commissions, trailing commissions, management fees and expenses all may be associated with investment fund investments. Please read the prospectus before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

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