

# TFSA & RRSP

Often, saving for the future involves using both TFSAs and RRSPs.

## Investing

### Annual contribution limits

**\$7,000**  
2025 TFSA

**\$7,000**  
2026 TFSA

**\$32,490**  
2025 RRSP

**\$33,810**  
2026 RRSP\*

### TFSA & RRSP Eligible Investments



Cash & Term Deposits



Bonds, Stocks & Equities



Mutual Funds

### Eligible Age to Start Contributions



TFSA  
age 18



RRSP  
to age 71

### Tax Deductible Contributions



**TFSA**  
Contributions are NOT tax-deductible  
Benefits from **tax-free** growth



**RRSP**  
Contributions are tax-deductible<sup>1</sup>  
Benefits from **tax-deferred** growth

## Withdrawing Funds

### TFSA

No tax on withdrawals



TFSAs are purchased with after-tax dollars so no tax is paid when the funds are withdrawn.



There is no age limit when you must start withdrawing funds from a TFSA.

### RRSP

Withdrawals are taxed as income



RRSPs investments grow tax-deferred. Tax is paid when the funds are withdrawn.



Age when you must convert your RRSP to a RRIF. You must start to withdraw in the year you turn 72.

## The Benefits of Tax-Free Investing

Taxable<sup>2</sup> v. Non-Taxable  
\$7,000 annual investment  
4% annual rate of return  
Age 45 - age 65

\$208,447  
\$184,312



Tax-Free Advantage: **\$24,134**

20 YEARS OF GROWTH

\$515,566

\$407,202

Taxable<sup>2</sup> v. Non-Taxable  
\$7,000 annual investment  
4% annual rate of return  
Age 30 - age 65



Tax-Free Advantage: **\$108,363**

35 YEARS OF GROWTH

<sup>2</sup> Assumes a 30% marginal tax rate. Annual investments made at end of year.

## Saving for your future can be a lengthy process.

Both TFSAs and RRSPs offer tax advantages and can help you save for your long term and short term financial goals.

If you have any questions, please contact us today.



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Source: <https://www.canada.ca/en/revenue-agency/services/tax/registered-plans-administrators/pspa/mp-rrsp-dpsp-tfsa-limits-ympe.html>  
This is a general guide only and not intended to replace professional financial and tax advice in any form. Please consult your financial advisor on how it relates to your situation. <sup>1</sup> Your RRSP contribution lowers your taxable income, so you're reducing the amount of tax you have to pay.  
<sup>2</sup>The RRSP contribution limit varies by individual. Speak with your financial advisor about maximizing your contribution.

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