

RSP/TFSA Comparison Chart

Although a TFSA is not specifically designed as a retirement savings account, its flexibility makes it an excellent complement to an RSP or RIF. If you have already maximized your RSP contributions, then a TFSA is another option for you to save more money and get the benefits of tax-free growth and withdrawals.

There is also no maximum age limit on a TFSA. You can continue contributing to your TFSA and enjoy tax-free growth and withdrawals throughout your retirement.

Ideally, your retirement plan would include both an RSP and a TFSA. The chart below lets you compare these two options.

	RSP	TFSA
Age (eligibility)	N/A	18 ¹
Annual contribution limit	18% of previous year's earned income, maximum \$21,000 (2009), less pension adjustments	\$5,000 ² PLUS amounts withdrawn in previous years
Contributions	Tax-deductible	Not tax-deductible
Unused contribution room	Carried forward	Carried forward
Growth	Tax-deferred	Tax-free
Withdrawals	Taxable: affect federal income-tested government benefits such as Old Age Security	Tax-free: do not affect federal income-tested government benefits such as Old Age Security
Withdrawn amounts	Contribution room is lost for amounts you withdraw	Added to contribution room in future years
Primary purpose	Retirement savings	Saving for any purpose
Plan maturity	End of year when you turn 71	None; no upper age limit on contributions
Spousal plan	You can contribute directly to a spousal RSP	You can give your spouse money to contribute to their TFSA

Come in and talk to us about how a TFSA can fit into your overall retirement plan.

¹ The holder of a TFSA with TD must be of the age of majority in their province of residence.

² 2009 contribution limit. This limit is indexed to inflation.