

## 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
<b>Age (eligibility)</b>	N/A	18 <sup>1</sup>
<b>Annual contribution limit</b>	18% of previous year's earned income, maximum \$21,000 (2009), less pension adjustments	\$5,000 <sup>2</sup> PLUS amounts withdrawn in previous years
<b>Contributions</b>	Tax-deductible	Not tax-deductible
<b>Unused contribution room</b>	Carried forward	Carried forward
<b>Growth</b>	Tax-deferred	Tax-free
<b>Withdrawals</b>	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
<b>Withdrawn amounts</b>	Contribution room is lost for amounts you withdraw	Added to contribution room in future years
<b>Primary purpose</b>	Retirement savings	Saving for any purpose
<b>Plan maturity</b>	End of year when you turn 71	None; no upper age limit on contributions
<b>Spousal plan</b>	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.**

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

<sup>2</sup> 2009 contribution limit. This limit is indexed to inflation.