REGISTERED RETIREMENT SAVINGS PLAN AND TAX-FREE SAVINGS ACCOUNT

RRSP & TFSA

Let's simplify your finances

UNI FINANCIAL COOPERATION

RRSPs AND TFSAs, VALUABLE TOOLS FOR ANY PROJECT

RRSP: Doubly beneficial

A registered retirement savings plan is an excellent financial vehicle that stays with you throughout your life. You usually start contributing to it when you get your first job and keep it until you convert it into retirement income. RRSPs are doubly beneficial in that they bring you tax savings when you contribute to them while letting you grow your investments tax-free.

TFSA: Flexibility first

A tax-free savings account is a great option to round out your overall financial strategy. You can start contributing to it from age 19 and continue investing in it your whole life. A TFSA lets you withdraw your money tax-free for various projects and then save those amounts again for future projects. Pretty convenient!

TOOLS TO REALIZE ALL YOUR PROJECTS

Having trouble choosing between RRSPs and TFSAs? Are you wondering what would be the best savings vehicle to help make your projects a reality? Here are the benefits of these two essential tools:

SAMPLE PROJECTS	BENEFITS OF RRSPs	BENEFITS OF TFSAs
RETIREMENT	• Tax savings during the year of contribution • Earned income is tax-free until withdrawn • Lower tax rate on RRSP withdrawals when taxable income is lower	• Earned income is tax-free • Tax-free withdrawals • Amounts withdrawn do not affect your eligibility for tax credits and government benefits
BUYING A FIRST HOME	• For your down payment, you can withdraw up to $35,000 from your RRSPs through the Home Buyers' Plan (HBP) • Tax-free withdrawals (which you have up to 15 years to repay)	• You can withdraw the full amount from your TFSA • No repayment obligation • Tax-free withdrawals
GOING BACK TO SCHOOL	• You can withdraw up to $20,000 from your RRSP through the Lifelong Learning Plan (LLP) • Tax-free withdrawals (which you have up to 10 years to repay)	• Withdrawals can be useful to meet your financial needs during your or your children's studies • No repayment obligation • Tax-free withdrawals
SABBATICAL OR MATERNITY LEAVE	• Withdrawals are often taxed at a low rate due to your lower taxable income	• Withdrawals can be useful to meet your financial needs • No repayment obligation • Tax-free withdrawals
TRAVEL, RENOVATIONS, CAR PURCHASE OR EMERGENCY FUND		• You can withdraw money from your TFSA without needing to pay tax on those withdrawals and deposit those amounts only the following year

WINNING STRATEGIES TO MAXIMIZE YOUR ASSETS

MAKE THE MOST OF YOUR UNUSED CONTRIBUTION ROOM

Did you invest less than the maximum allowable amount into your RRSP in previous years? You can use your unused contribution room to increase how much you save tax-free. This will grant you some attractive tax cuts that year.

If you don't have the cash on hand to invest, consider taking out an RRSP loan[2]. Since the amount you save on taxes from contributing to your RRSP will often offset the cost of the loan, this can be a smart strategy.

Got unused contribution room in your TFSA and money to invest? Pay as much as you can into your TFSA. You'll have less investment income to declare and will enjoy a significant tax reduction over the years.

BENEFIT FROM SPOUSAL INCOME SPLITTING

If you expect your (legal or common-law) spouse's retirement income to be lower than yours, it may be an excellent idea to contribute to an RRSP on behalf of your spouse. You'll get a tax deduction immediately and, upon retirement, your spouse will be taxed on the withdrawals. This is a smart strategy to reduce a couple's tax bill at retirement[3].

For TFSAs, each spouse must invest in their own plan. But if your spouse doesn't have the money on hand, you can donate to them. That way, you can optimize TFSA contributions and reduce the investment income you need to report. Upon retirement, the amounts you withdraw from the TFSA won't affect your eligibility for tax credits and income-tested government benefits like Old Age Security and the Guaranteed Income Supplement.

2. Conditions apply. Using borrowed money to finance the purchase of securities involves greater risk than purchasing using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.
3. Some conditions apply at the time of withdrawal. Contributions paid into a spouse's RRSP become the spouse's property.

INVESTMENT PRODUCTS

TYPES OF INVESTMENT	RRSP	TFSA	AVAILABLE ONLINE
TFSA SAVINGS ACCOUNT		●	●
GUARANTEED FIXED-RATE INVESTMENTS (GICS)	●	●	●
TERM SAVINGS	●	●	●
HIGH INTEREST SAVINGS ACCOUNT	●	●	●
MARKET-LINKED GUARANTEED INVESTMENTS	●	●	●
MUTUAL FUND INVESTMENTS [4/5]	●	●	●

BONUSDOLLARS® REWARDS PROGRAM

If you have a UNI Mastercard or Visa card, you can pay your BONUSDOLLARS® into your RRSP.

4. Mutual funds are offered through Credential Asset Management Inc. Mutual funds and other securities are offered through Credential Securities, a division of Credential Qtrade Securities Inc. Credential Securities is a registered trademark owned by Aviso Wealth Inc.

HOW CAN YOU MAKE CONTRIBUTIONS TO YOUR RRSP AND TFSA?

By contacting your advisor

1-888-359-1357

Online

AccèsD

QTRADE

IS INVESTING ONLINE WITH QTRADE DIRECT INVESTING RIGHT FOR ME?

Qtrade Direct Investing ™ enables independent investors to buy and sell investments online to diversify their strategies. It's an online broker that gives its clients-whatever their level of experience in the field-the tools and services they need to make informed decisions. Known for its user-friendly investment platforms and unparallelled customer service, Qtrade ranks among Canada's top online brokers.

5. Online brokerage services are offered through Qtrade Direct Investing, a division of Credential Qtrade Securities Inc. Qtrade and Qtrade Direct Investing are trade names and trademarks of Aviso Wealth Inc. and its subsidiaries.

TWO COMPLEMENTARY PLANS

These two essential savings plans let you grow your investments tax-free. Which one is most profitable for you depends on your tax situation. You can even combine them to make the most of your savings. If you've maxed out your RRSP contribution and have some cash flow, the TFSA may be your best choice.

Whatever your planned investment strategy, your advisor will take into account your investor profile, your values, your needs and your short, medium and long-term goals. Of course, they'll also ask you about when you plan to retire… Is the date already marked on your calendar?

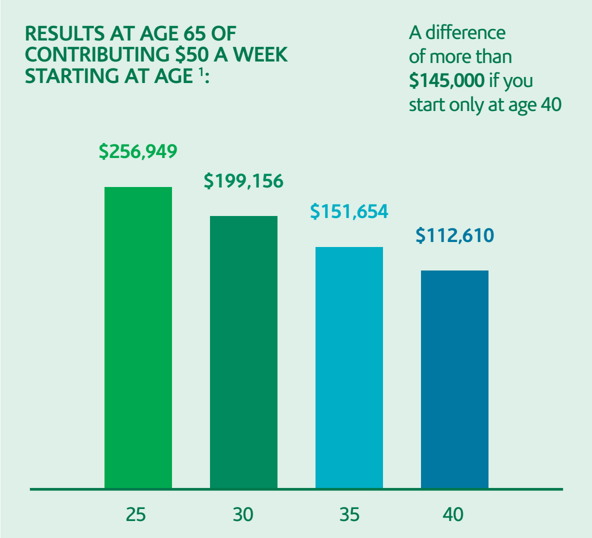
Here are some details to explain the two plans' main features:

RRSP	TFSA
CONTRIBUTIONS START As soon as you have eligible earned income in the year preceding the contribution.	CONTRIBUTIONS START When you're 19 years old
ANNUAL CONTRIBUTION AMOUNT 18% of the previous year's earned income, up to $27,830 (2021) and $29,210 (2022), less the previous year's pension adjustment if you have a pension plan with your employer.	ANNUAL CONTRIBUTION AMOUNT (ANNUAL MAXIMUM) 2009 to 2012: $5,000 2013 and 2014: $5,500 2015: $10,000 2016 to 2018: $5,500 2019 to 2022: $6,000
CONTRIBUTION ROOM AVAILABLE The total of the unused portion of your annual maximum deductible amount since 1991.	CONTRIBUTION ROOM AVAILABLE The total of the unused portion of your annual maximum allowable amount since 2009.
EXCESS CONTRIBUTION Limit of $2,000 more than the allowable contribution.	EXCESS CONTRIBUTION Not allowed
WHAT HAPPENS IF I EXCEED THE MAXIMUM CONTRIBUTION AMOUNT? You may have to pay a penalty of 1% of the excess amount for each month that it remains in your account.	WHAT HAPPENS IF I EXCEED THE MAXIMUM CONTRIBUTION AMOUNT? You may have to pay a penalty of 1% of the excess amount for each month that it remains in your account.
IS THE CONTRIBUTION DEDUCTIBLE FROM TAXABLE INCOME? Yes	IS THE CONTRIBUTION DEDUCTIBLE FROM TAXABLE INCOME? No
CONTRIBUTION DEADLINE In a fiscal year, from January 1 to the first 60 days of the following year.	CONTRIBUTION DEADLINE From January 1 to December 31 of the current year.
INVESTMENT INCOME Not taxable	INVESTMENT INCOME Not taxable
WITHDRAWALS Taxable	WITHDRAWALS Not taxable
THE PLAN ENDS On the earliest of these two events: December 31 of the year of your 71st birthday, or upon your death.	THE PLAN ENDS Upon your death

CONTRIBUTING EARLY GOES A LONG WAY

When it comes to RRSPs and TFSAs, the earlier you start saving, the bigger your investments grow.

One easy way to achieve this is to set up saving by regular instalments. Just decide how much you want to invest into your RRSP or TFSA and how often: every week, every two weeks or every month. Start today, it's definitely in your best interest!



PROTECT YOUR SAVINGS

Unexpected setbacks such as an accident or illness can sometimes force people to withdraw part of their RRSP or TFSA to cover their financial needs.

Life, disability and health insurance can help you protect your ability to save for retirement. Consider reassessing your insurance needs regularly.

1. Sample calculation based on a rate of 4% compounded annually and on a balanced portfolio.

To find out more

uni.ca/rrsptfsa

1-888-359-1357

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