## **RRSP OR TFSA**



Annual limit ≈ 18% of eligible income minus pension adjustment Non-contributed rights accumulate Contribute until 71 years old



Annual limit = \$6,000 Non-contributed rights accumulate Contribute for life (starting at 18 or 19 years old)

Tax deductions associated with contributions Taxed at withdrawal

Not taxed when borrowing to buy your first home or for continuing education



No contribution-related deduction No taxation at withdrawal No impact on social program benefits



Value of withdrawals added back to next year's contribution rights

Retirement investment discipline Spousal RRSP available ool for tax deferral to lower-income years

> Must close at 71 years old Limit affected by pension plan Withholdings at withdrawal



Flexible tool for financing mid- to long-term projects Withdrawals are not taxed

No tax incentive at contribution Small annual contribution limit



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