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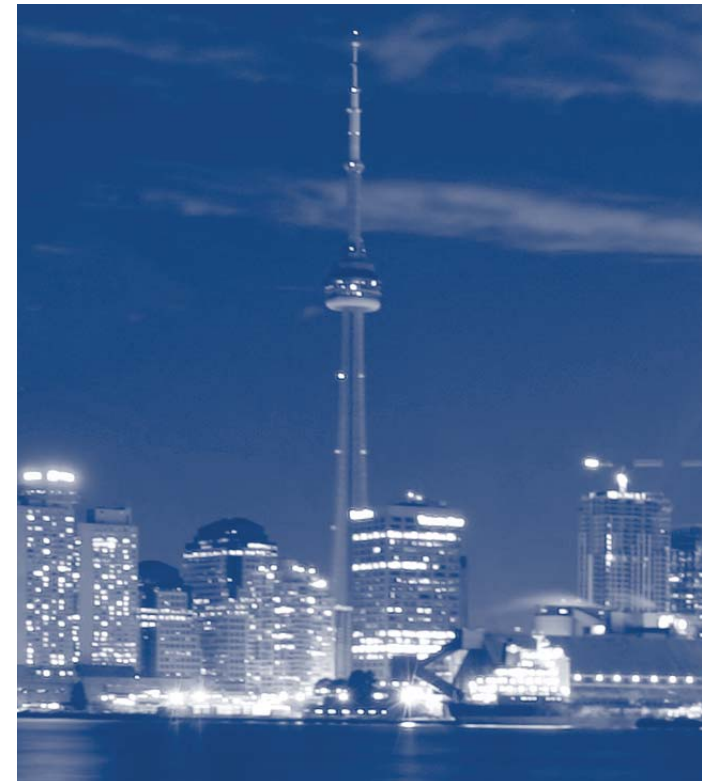
Tax-Free Savings Account

A Flexible Account for a Lifetime of Savings

Now you can save and watch your investment and savings earnings grow tax-free. And not just for retirement – the new Tax-Free Savings Account (TFSA) complements your RRSP by letting you save for any goal you choose, whether it's a down-payment, a car, a trip or a cottage.

Contribute up to \$5,000 a year and enjoy the income free of tax. Contribution and withdrawal limits are generous and flexible. It's the perfect complement to your RRSP and it's available to all Canadians, even if you're already retired.

Ask your investment advisor about the new Tax-Free Savings Account (TFSA) today.



TAX FREE SAVINGS ACCOUNT

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TAX-FREE SAVINGS ACCOUNT

How the TFSA Works

Your TFSA can include stocks, bonds, GICs, cash or other savings or investment instruments. You cannot deduct your contributions for income tax purposes, but the income earned in your TFSA by these savings will accumulate tax-free. Amounts withdrawn from your TFSA are not taxable. The TFSA is a very flexible way to save and there are few restrictions.

- From 2009, all Canadians aged 18 and older can save up to \$5,000 every year in a TFSA.
- If you don't use the full \$5,000 annual contribution allowance, you can deposit the unused portion in a later year.
- You may withdraw any amount at any time without tax.
- If you want to re-deposit that amount at a later date, you can, and without affecting that year's contribution allowance.
- You may contribute to your spouse's TFSA. TFSA assets can be transferred to a spouse upon death.
- Neither income in a TFSA nor withdrawal will affect eligibility for federal income-tested benefits or credits.
- Contributions to a TFSA will not be deductible for income tax purposes but investment income, including capital gains, earned in a TFSA will not be taxed, even when withdrawn.
- No administration fee.
- The TFSA is complementary to your RRSP.

**Flexible, tax-free savings income --
-- talk to your investment advisor.**

How Is a TFSA Different From a Registered Retirement Savings Plan?

An RRSP is primarily intended for retirement. The TFSA is like an RRSP for everything else in your life.

Both plans offer tax advantages, but they have key differences.

Contributions to an RRSP are deductible and reduce your income for tax purposes. In contrast, your TFSA savings will not be deductible.

Withdrawals from an RRSP are added to your income and taxed at current rates. Your TFSA withdrawals and growth within your account will be tax-free.



A Flexible Account for a Lifetime of Savings

Not everyone is able to save each and every year.

Those who cannot contribute \$5,000 in a given year will be able to carry forward their unused contribution room to future years.

You may want to use your savings to buy a new car or a cottage, or start a small business and the full amount of withdrawals can be put back into the TFSA in the future.

Couples often save and plan together, so you can contribute to your spouse's or common-law partner's TFSA, depending on the spouse's or partner's available room.

TFSA's are for Retired People Too

The TFSA doesn't end at age 71 the way an RRSP does, so you can continue tax-free growth all your life. If you have income beyond your present needs, you can save it in your TFSA, and enjoy the tax-free income at a later date.

