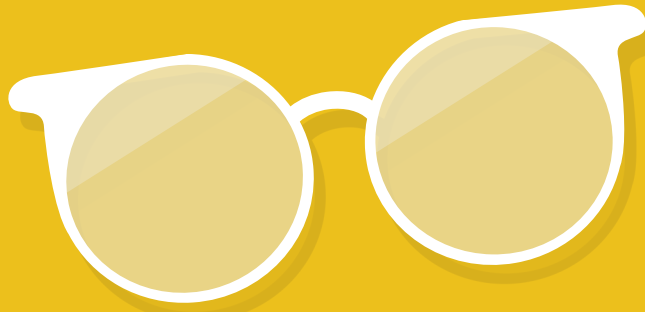


# *Saving for* **RETIREMENT**

BROUGHT TO YOU BY

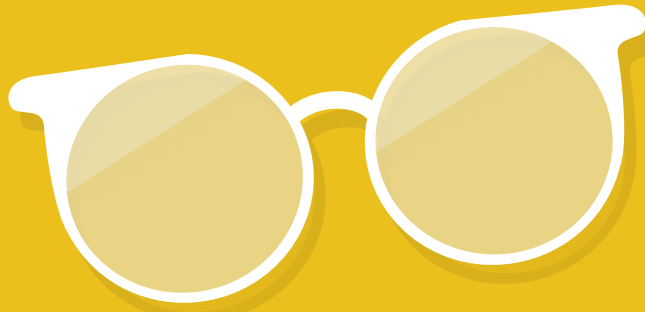


- IT'S A -  
**MONEY  
THING®**



*Someday you will be an*  
**OLD PERSON**





*Take a moment  
and let that sink in*



*Imagining*

**RETIREMENT**

# What do you want your retirement to look like?



A worldwide  
adventure?



The simple  
life?



Pursuing a  
passion?



Moving to a  
new city?



**Your retirement fund will likely be  
your longest-term savings goal**

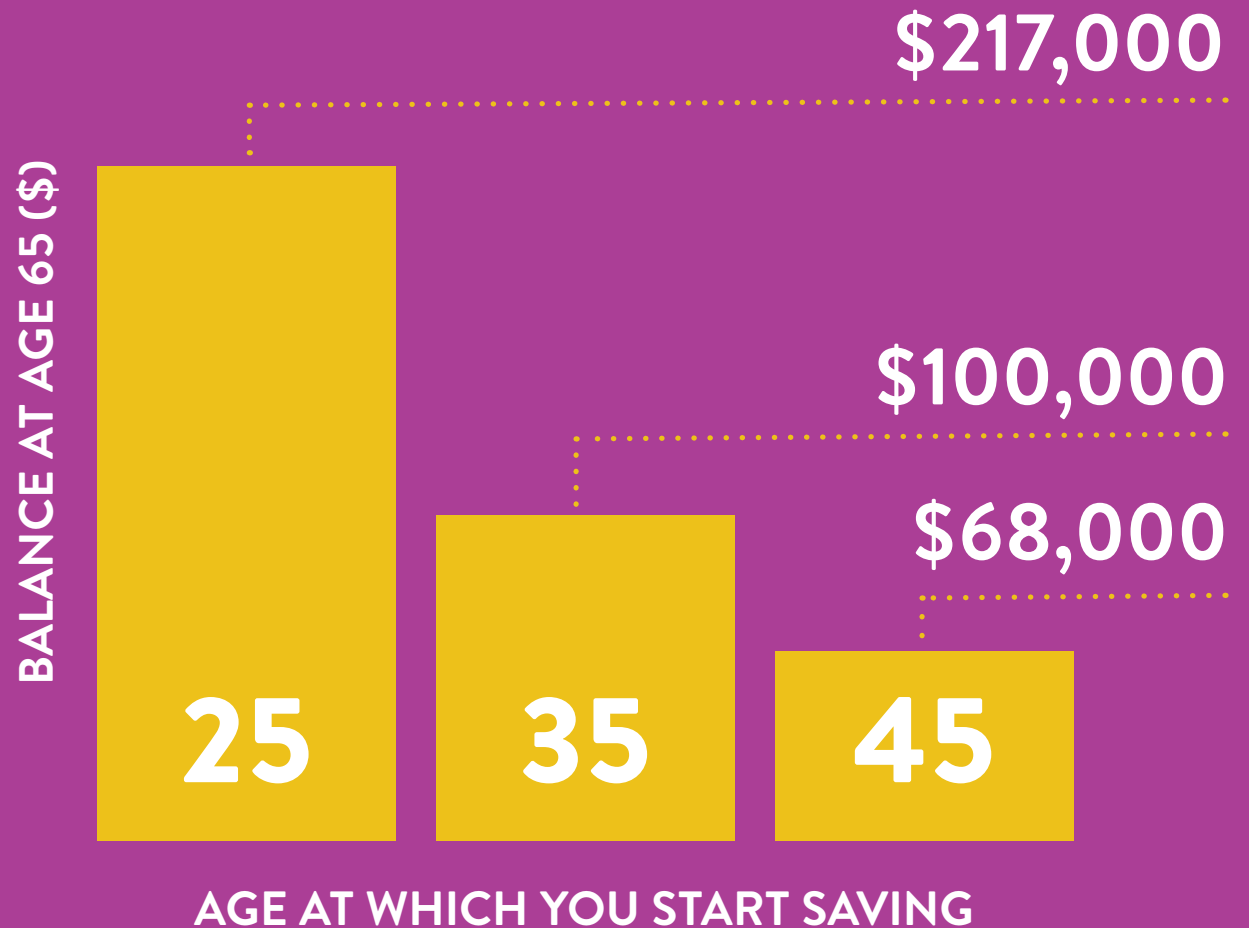
That makes it tricky to prioritize—  
but it pays to start saving early!

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*Timing is*

**EVERYTHING**

Let's say you put **\$10,000** in your **RRSP** and do nothing further until it's time to withdraw the balance at **age 65**



\*based on an 8% average annual return



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**The same investment can be worth a lot more  
when given some extra time to grow**

---

*Retirement*

**SAVINGS ACCOUNTS**

Retirement savings accounts act like containers in which your various investments can grow tax-free



The most popular options include  
**RRSPs** and **TFSA**s



# COMPARING OPTIONS

## RRSP

Set up at your financial institution—  
RRSPs are registered by the  
federal government

**\$26,010 annual contribution limit**

Contributions are made with  
**pre-tax** dollars and may be  
deducted from your income tax  
for that year

## TFSA

Set up at your financial institution

**\$5,500 annual contribution limit**

Contributions are made with  
**after-tax** dollars and cannot be  
deducted from your income tax

# COMPARING OPTIONS

## RRSP

Withdrawals of investment income and contributions are taxable

Early withdrawals are subject to an additional withholding tax

## TFSA

There are no taxes on withdrawals of investment income and contributions

You can make withdrawals from your TFSA at any time

# COMPARING OPTIONS

## RRSP

**RRSPs** are basically a tax deferral program—they are specifically designed for retirement savings

You'll pay tax on your savings when you withdraw them in retirement—the idea is that you'll be in a lower marginal tax bracket in retirement than you are in your working years; however, this is not always the case

## TFSA

**TFSA**s are not strictly for retirement savings—they can be used for any savings goal

TFSAs are flexible—unlike RRSPs, there are no age restrictions for making contributions or withdrawals; however, the TFSA's flexibility also makes it tempting to withdraw your savings early

# STARTER PLAN

1

Take advantage of employer RRSP contribution-matching (if applicable)

2

Max out your TFSA contribution (be careful not to overcontribute)

3

If you have money left over, top up your RRSPs



*Strategies for*  
**SAVING**

---

**In order for your money to grow,  
you need to create the right environment**



**Eliminate  
high-interest debt**  
Paying down credit  
cards (and other  
high-interest debt)  
should be your top  
financial priority





## **Build an emergency fund**

The last thing you need is an unexpected expense taking a bite out of your savings

## **Maximize your repayment plan**

See if there's a smart way to consolidate or refinance your loans as a way of freeing up extra cash for savings





## **Start today**

Time is on your side when it comes to retirement savings—even if you have to start small, start saving today

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Sources: Canada.ca, Investopedia, Money Sense, The Globe and Mail,  
The Motley Fool, Time Inc.

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