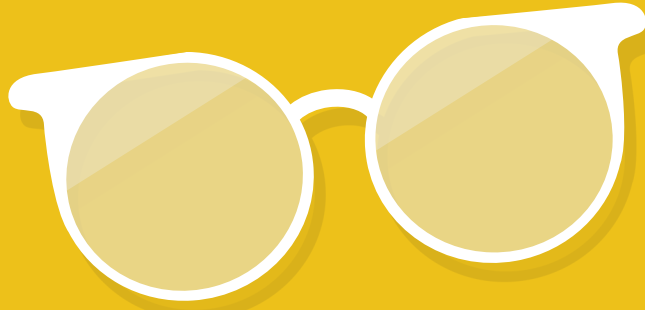


Saving for **RETIREMENT**

BROUGHT TO YOU BY

Synergy
CREDIT UNION

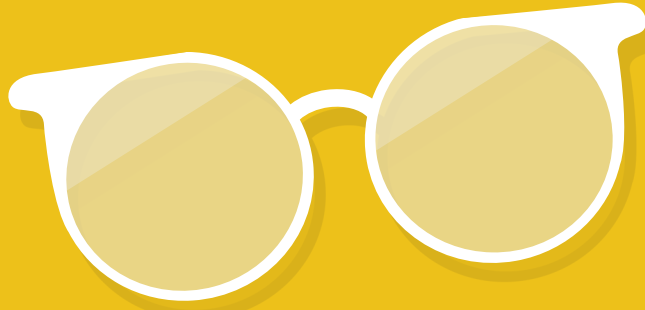
- IT'S A -
**MONEY
THING®**



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?

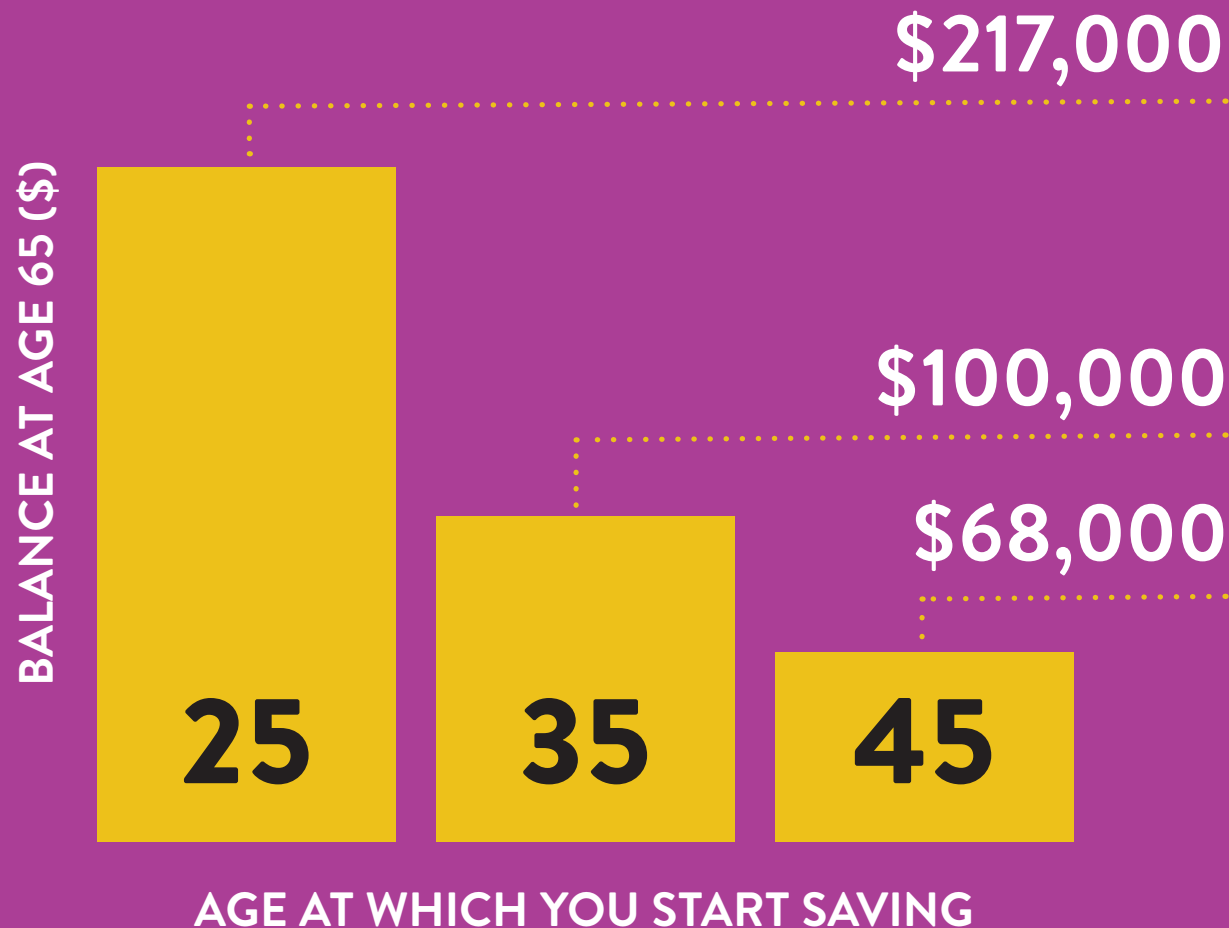


**Your retirement fund will likely be
your longest-term savings goal**

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

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

**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

\$30,780 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

\$7,000 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

TFSAs 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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