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RRSP VS. TAX-FREE SAVINGS ACCOUNT

RRSP vs. Tax-Free Savings Account - it might prove difficult where to invest.

If you need to reduce your income taxes, as opposed to receiving a refund, the RRSP would be your option. Otherwise, you should also consider the TFSA. Below are some of the features of each:

RRSP

- ✓ reduces income taxes
- ✓ maximum deposit is 18% of income subject to a maximum of \$22,450 for 2011, less any pension adjustment
- ✓ unused deposit room carried forward
- ✓ money grows tax-deferred in plan
- ✓ withdrawals are taxable
- ✓ withdrawals do not add to unused contribution limits
- ✓ wide range of investment options

TFSA

- ✓ no reduction of income taxes
- ✓ maximum annual deposit is \$5,000
- ✓ unused deposit room carried forward
- ✓ money grows tax-free in plan
- ✓ withdrawals are non-taxable
- ✓ withdrawals added to unused contribution limits
- ✓ wide range of investment options

Which is best for you? Let's talk.

Respectfully yours,

Ron Clarke CFP, CLU

To protect and benefit you, your family and your way of life now and into the future.