

Grow your savings with the Tax-Free Savings Account

Growing your savings is now easier with the Tax-Free Savings Account (TFSA)[†]. Canadians can now earn tax-free investment income to help meet their lifetime savings needs.



invest

Key benefits of using a TFSA to grow your savings:

- Effective January 1, 2009, you can contribute up to \$5,000 per year to earn tax-free investment income in a flexible account.
- Any Canadian resident over the age of 18, including those without earned income or over the age of 71 who are ineligible to contribute to an RRSP, can open a TFSA account to save tax-free.
- You can withdraw at any time for any reason without being taxed. Withdrawals are added back to the contribution room the following year.
- Unused contribution room can be carried forward indefinitely.
- Contributions can occur at different times and frequencies. You can make monthly or quarterly automatic contributions, lump sum contributions or transfer existing investments into your TFSA.
- Income earned in a TFSA or any withdrawals do not affect eligibility for income tested benefits such as Old Age Security, Guaranteed Income Supplement and the Canada Child Tax Benefit.
- Funds can be given to a spouse or common-law partner to invest in their TFSA as there are no income attribution rules while the funds or related investments are held in the TFSA.

Differences between a TFSA and an RRSP:

- TFSA contributions are not tax deductible but the contributions and the investment earnings are exempt from tax upon withdrawal.
- Withdrawals from a TFSA do not result in lost TFSA contribution room.
- You do not need earned income to accumulate contribution room for a TFSA.
- There is no requirement to convert the TFSA to an income payment option such as a RRIF at any age.
- You can provide funds to your spouse to open a TFSA without being subject to the Canada Revenue Agency's (CRA) attribution rules.

Frequently Asked Questions

What is a TFSA?

A Tax-free savings account (TFSA) is a registered, general purpose savings account introduced by the Federal government in the 2008 Budget. Investment income and capital gains in a TFSA will grow tax-free. TFSAs became available January, 2009.

What can a TFSA be used for?

A TFSA can be used to save for a variety of short-term and long-term goals. It complements existing registered savings plans. Consult your investment advisor on how to use the TFSA to help you reach your financial goals.

Who is eligible for a TFSA?

All Canadian residents age 18 and older with a Social Insurance Number can open a TFSA.

Are GrowthWorks* retail venture capital funds an option for investment in a TFSA?

Shares of GrowthWorks retail venture capital funds are qualified investments for TFSAs. Subject to annual maximums, residents of British Columbia, Manitoba, Ontario and New Brunswick who purchase shares through their TFSA will be eligible for applicable federal and provincial tax credits[‡]. Another option is to use the tax savings you receive from your investment in a GrowthWorks retail venture capital fund to make an investment in your TFSA. Read the RVC's prospectus before investing.

How much am I allowed to contribute to my TFSA per year?

You can contribute up to \$5,000 each year. With inflation the contribution limit will increase in \$500 increments (subject to government guidelines).

If I am earning no income, can I still make contributions to a TFSA?

Yes. If you are eligible you will accumulate contribution room each year - even if you have earned no income.

If I am unable to contribute in a given year, will I be able to use my unused contribution room in a future year?

Your unused contribution room can be carried forward indefinitely and there is no limit on how much contribution room you can accumulate.

How will I know what my TFSA contribution room is for a given year?

CRA will track the contribution room and report this amount to individuals on the Notice of Assessment and through the "My Account" function on the CRA website.

Can I withdraw the money I've contributed to my TFSA for any purpose at any time?

You can withdraw funds for any purpose whenever required. There are no restrictions.

Can I contribute to my spouse or common-law partner's TFSA?

No. However the money you give to your spouse to contribute to his or her TFSA will not be subject to CRA attribution rules while the money or related investments are held in the TFSA.

Can I open a joint TFSA account?

No. Similar to registered retirement accounts, such as an RRSP, government rules only permit individual accounts.

For more TFSA information, please visit www.tfsa.gc.ca

Commissions, trailing commissions, management fees and expenses all may be associated with investments in RVCs. Please read the prospectus before investing. RVCs are not guaranteed, their values change frequently and past performance may not be repeated. GrowthWorks Canadian Fund Ltd. purchased the assets of Canadian Science and Technology Growth Fund Inc. and Capital Alliance Ventures Inc. in 2005, the assets of ENSIS Growth Fund Inc. in 2008 and the assets of Canadian Medical Discoveries Fund Inc. in 2009, in each case in exchange for Class A shares distributed to former shareholders of the selling fund. GrowthWorks Atlantic Venture Fund Ltd. purchased the assets of Workers Investment Fund Inc. ("WIF") in 2005 in exchange for Class A shares distributed to former shareholders of WIF. GrowthWorks Capital Ltd. is the principal distributor of all GrowthWorks managed RVCs. [†]TFSAs are subject to certain conditions and are not unique to RVCs. Consult your tax advisor regarding the use of TFSAs. *GrowthWorks refers to GrowthWorks Ltd. and its related companies providing services to GrowthWorks managed RVCs including GrowthWorks Capital Ltd, manager of the Working Opportunity Fund (EVCC) Ltd.; GrowthWorks WV Management Ltd., manager of GrowthWorks Canadian Fund Ltd. and GrowthWorks Commercialization Fund Ltd.; GrowthWorks Atlantic Ltd., manager of GrowthWorks Atlantic Venture Fund Ltd. GrowthWorks is a registered trademark of GrowthWorks Capital Ltd. [‡]Tax credits are subject to conditions, including repayment if shares are not held beyond applicable tax credit repayment periods (generally eight years), federal and provincial maximum credits and having tax payable against which to claim the credits.