

Your Financial Professional



Q: What is a TFSA and should I have one?

A: The Tax Free Savings account is a government mandated tax sheltered savings vehicle. Contributions to a TFSA are made on an after tax basis and can be withdrawn tax free. Beginning in 2009 anyone over the age of 18 has TFSA eligibility room granted to them annually, and should take advantage of that room with their surplus savings. Providing you were age 18 in 2009, as of Jan 1, 2017 you have \$52,000 of contribution room available. Your TFSA can contain a variety of underlying assets including: cash, GICs, mutual funds, bonds, and stocks listed on a designated stock exchange. The interest, dividends, or capital gains earned on investments inside a TFSA are not taxed when received nor when you go to withdraw the proceeds. However, if you are a speculative investor, it is important to keep in mind that while large investment gains will be tax sheltered, investment losses cannot be claimed on your tax return and you do not receive any additional TFSA contribution room due to the loss.



F O R B E S

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