



The \$250,000 Boost

4 Steps to Maximize your TFSA

STEP #1

Tax Free Saving Accounts

Start now. Saving is hard, but there is no better way to save than in an account you will never pay tax on - now or later. You won't have to pay tax on interest, dividends nor capital gains. You can contribute \$5,500 per year, and your contribution room has been growing.

STEP #2

Switch regular Savings to a TFSA

If you have never contributed to a TFSA you have \$57,500 of contribution room in 2018. That means a couple can contribute \$115,000 to a TFSA in a lump sum. \$115,000 invested for 12 years at 7% will grow to **\$259,002.03**

STEP #3

Save \$500 per month

If you have the contribution room, save \$500 per month in a TFSA. If you average 7% over 20 years, you will have savings of **\$255,203.03**. A TFSA can also double as your **Emergency Fund** which is a main building block of a financial plan.

STEP #4

Put your higher risk investments In your TFSA

Take advantage of tax free savings by having your highest return investments tax sheltered. You do not want to take more risk than is suitable for your situation, but there are many funds with an excellent rate of return. There are 152 funds with a 20 year rate of return of 7% or more of various risks as an example.

Reference: Myles Rempel at tsfinancial.ca

Fund data from globeadvisor.com.

Disclaimer - The above information is believed to be true, but not to be taken as investment advice without the input of a financial planner.