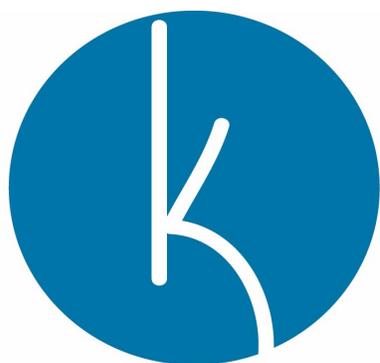


THE IT PROFESSIONAL'S TAX-SMART GUIDE TO SAVE AND INVEST



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Registered Retirement Savings Plan (RRSP)

An RRSP is a type of investment account that allows you to reduce your taxable income each year, while building up for future retirement income.

- The Money you invest in your RRSP is deductible and can be used to reduce your tax.
- Any income you earn in the RRSP is deferred until it is withdrawn, preferably in retirement when you are in a lower income bracket.

1. Have a Comprehensive Written Financial Plan

What kind of lifestyle do you want to live in retirement? What are your goals? Start planning to ensure that you enjoy a long and rewarding retirement.

2. Invest Early for Compound Growth

Invest in your RRSP long before retirement so your money has more time to benefit from tax-sheltered growth.

3. Increase Your Tax Refund

The higher your income and the more money you put in your RRSP, the lower your taxes will be.

4. Contribute Now, Deduct Later

You don't have to claim deductions on your RRSP contribution in the same year that you make them. If you anticipate an increase in taxable income that will push you into a higher tax bracket, you can defer claiming deductions until a later year to benefit from a higher tax refund.

5. Carry Contribution Room Forward

Unused contribution room can be carried forward indefinitely for future use.

6. Strategic RRSP Withdrawal Strategies

Once you reach age 71 years old the RRSP matures at which point it is converted to a Registered Retirement Income Fund (RRIF), or annuity, or lumpsum payout at the end of the calendar year in which you turn 71. RRIF minimum withdrawals start the year after the RRIF is established.

Depending on your goals, investing in a TFSA might be an even better option.

Tax Free Savings Account (TFSA)

Contributions to a TFSA are not deductible for income tax purposes. Any amount contributed, as well as any income (for example, investment income and capital gains) is tax free when it is withdrawn.

TFSA at a glance

1. TFSA can help you grow your savings faster than a savings or chequing account.
2. Investments grow tax-free in the account and withdrawals are also tax free
3. Contribution limit of \$6000 per year (available 2021), with unused room carried forward indefinitely.
4. TFSAs can hold a range of investments and financial products
5. Withdrawals can be recontributed in future years.
6. Withdrawals are not considered taxable income and do not trigger government-benefit claw backs or effect tax credits.

How is a TFSA different from an RRSP?

Contributions to an RRSP are tax-deductible and investments inside an RRSP grows tax deferred. RRSP withdrawals are taxed at your marginal tax rate, and RRSP income can increase your tax rate and/or affect your eligibility for government benefits. TFSA contributions are not tax deductible, however they grow tax free and are completely tax free when withdrawn.

Non-Registered Account

Investment income and growth earned in a non-registered account are taxable. Take advantage of tax-deferred and tax-free savings.

For example: Invest \$10,000 per year for 30 years at a 9% rate of return

Tax deferred = \$1,495, 752

Taxable = \$825,063

This example does not consider inflation or applicable fees/deferred sales charges into account and should not be considered to be representative of the performance of any specific investment or strategy. For purposes of comparison, the taxable account is using a 35% income tax bracket. Your actual annual rate of return can be more or less. The chart is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of a specific investment or returns on investment in a specific investment.

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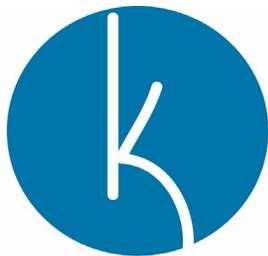
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