

# RRSP and TFSA

Even better  
when used  
together!



## Funding your TFSA with your RRSP tax refund

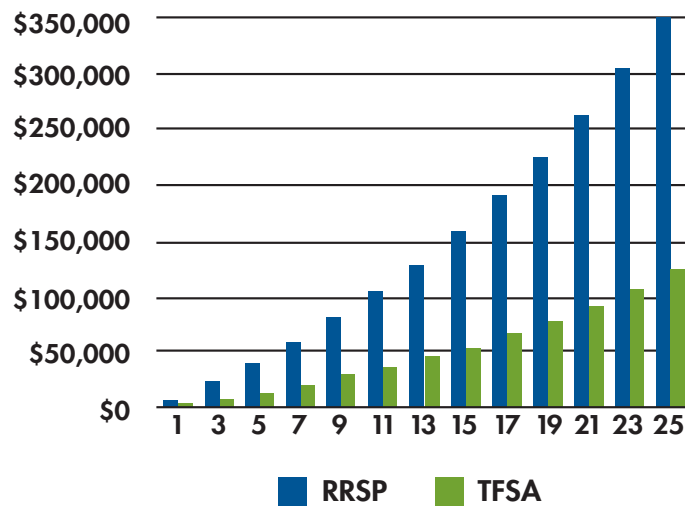
An RRSP is an excellent way to save for retirement because it allows you to defer taxes while building a retirement nest egg, which may ultimately help you pay less tax on your earned income. By investing your tax refund from RRSP contributions in a TFSA, you give yourself the added flexibility of tax-free savings that can be used to build an emergency fund, or other savings goals you are working toward. A TFSA can also be advantageous in retirement because withdrawals are not reported as income, and do not impact your eligibility for income-tested government benefits, such as Old Age Security (OAS), Guaranteed Income Supplement (GIS) or the Goods and Services Tax (GST) credit.

## Watch your savings grow!

Interested in how this strategy works? In this example, a \$7,000 annual RRSP contribution could generate at \$2,450 annual tax refund. If that tax refund was invested into a TFSA, after 25 years you would have saved:

- RRSP: \$350,794 (withdrawals are taxable)
- TFSA : \$122,778 (withdrawals are not taxable)

Illustration based on a 35% marginal tax rate and a 5% annual rate of return.



Using your RRSP tax refund to fund a TFSA combines the many benefits of TFSAs and RRSPs into one successful retirement financial strategy. Speak to your financial advisor to find out how an Equitable Life® RRSP and TFSA can help you reach your financial goals.

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