



Lori Samuels
Wealth Manager
250-979-2712

lori.samuels@raymondjames.ca



Jay Dowhaniuk
Wealth Manager
250-979-2720

jay.dowhaniuk@raymondjames.ca

Raymond James Ltd.
500 – 1726 Dolphin Avenue
Kelowna, BC V1Y 9R9
www.johnsonlegacy.ca

HAPPY NEW YEAR!

1. WHAT IS A TFSA?

A Tax-Free Savings Account (TFSA) is a registered account that was introduced by the Federal Government in the 2008 Budget. It is a flexible investment account that allows an individual to earn tax-free investment income and capital gains in the account. TFSA accounts were available starting in January 2009.

Raymond James offers a variety of investment options for TFSAs. Speak to a Raymond James financial advisor to determine the appropriate investment option based on your needs.

2. WHO IS ELIGIBLE FOR A TFSA?

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

Since the age of majority for residents of Newfoundland and Labrador, New Brunswick, Nova Scotia, British Columbia, Northwest Territories, Yukon and Nunavut is 19 years old, this may delay the opening of a TFSA. However, the accumulation of contribution room will start at age 18.

3. HOW IS A TFSA DIFFERENT FROM AN RRSP?

- Contributions to a TFSA are not tax deductible.
- Withdrawals from a TFSA are tax-free and do not result in lost contribution room. However, re-contributing in the same year may result in an over-contribution amount which would be subject to a penalty tax.
- With a TFSA you don't need earned income to accumulate contribution room.
- There is no requirement to convert the TFSA to an income payment option (i.e. RRIF) at any age.
- You can give money to your spouse to open a TFSA without being subject to the Canada Revenue Agency's (CRA) attribution rules.

4. FOR WHAT CAN A TFSA BE USED?

There are no restrictions on the use of funds from your TFSA. TFSA savings can be used to purchase a new car, renovate a house, start a small business, take a family vacation, etc.

5. I AM OVER 71 AND HAVE BEGUN TAKING MY MINIMUM RRIF PAYMENTS; CAN I STILL CONTRIBUTE TO A TFSA?

Yes, there is no age restriction on contributing to your TFSA. Your RRIF payment will of course be taxable, but you can shelter the after-tax funds from future income tax in your TFSA if you have sufficient contribution room.





6. WHAT INVESTMENT OPTIONS ARE AVAILABLE FOR TFSAS?

The investment options are similar to the investment options available for your RRSPs. For example: GICs, mutual funds, stocks, bonds, or simply park your cash in your account until you and your advisor determine a suitable investment. Automatic contributions will be easy to make on a regular basis with a Raymond James systematic plan.

7. DO I HAVE TO HAVE A PARTICULAR INCOME LEVEL TO TAKE ADVANTAGE OF A TFSA?

There is no minimum or maximum income level. Every eligible person will accumulate contribution room each year starting in 2009.

8. HOW MUCH AM I ALLOWED TO CONTRIBUTE PER YEAR?

Annual contribution limit is \$5,500 for 2018. Cumulative contribution amount is \$57,500.

Year	Annual	Cumulative
2009	\$5,000	\$5,000
2010	\$5,000	\$10,000
2011	\$5,000	\$15,000
2012	\$5,000	\$20,000
2013	\$5,500	\$25,500
2014	\$5,500	\$31,000
2015	\$10,000	\$41,000
2016	\$5,500	\$46,500
2017	\$5,500	\$52,000
2018	\$5,500	\$57,500

9. IF I AM EARNING NO INCOME, CAN I STILL MAKE CONTRIBUTIONS TO MY TFSA?

Yes. If you are eligible, you will accumulate contribution room each year – regardless of your income.

10. IF I AM UNABLE TO CONTRIBUTE IN A GIVEN YEAR, WILL I BE ABLE TO USE MY UNUSED CONTRIBUTION ROOM IN A FUTURE YEAR?

You can carry forward your unused contribution room indefinitely. There is no limit on how much contribution room you can accumulate. Also, TFSA contributions are in addition to any RRSP contribution room you may have.

11. WHAT HAPPENS IF I OVER CONTRIBUTE FOR THE YEAR?

Similar to an RRSP, a penalty will be assessed by Canada Revenue Agency (CRA) of 1% per month on your excess contribution.

12. HOW WILL I KNOW WHAT MY TFSA CONTRIBUTION ROOM IS FOR A GIVEN YEAR?

The Canada Revenue Agency (CRA) will determine the TFSA contribution room for each eligible individual based on information provided by you and the TFSA issuers. Your TFSA contribution room will be indicated on your personal income tax notice of assessment or reassessment.



13. CAN I WITHDRAW THE MONEY I'VE CONTRIBUTED TO MY TFSA FOR ANY PURPOSE OR FOR SPECIFIC CIRCUMSTANCES?

You can withdraw amounts for any purpose. There are no restrictions.

14. HOW OFTEN CAN I WITHDRAW FROM MY TFSA?

As often as you wish (depending on what you are invested in) but some financial institutions may charge a withdrawal fee. There are no withdrawal fees with a TFSA from Raymond James.

15. ARE WITHDRAWALS SUBJECT TO INCOME TAX?

No. Withdrawals can be made tax-free and will not increase your income for the year. Since withdrawals will not be taxed and will not be considered taxable income, there will be no impact on your income-tested benefits from the Federal Government, such as Old Age Security (OAS) and Guaranteed Income Supplement (GIS) or credits such as the Age Credit.

16. IF I WITHDRAW MONEY FROM MY TFSA, CAN I RE-CONTRIBUTE THIS WITHDRAWN AMOUNT LATER ON IN THE TAX YEAR?

Withdrawals you make in the current calendar year will be added to your unused contribution room. You cannot contribute more than your TFSA contribution room in a given year, even if you make withdrawals from the account during the year.

17. CAN I CONTRIBUTE TO MY SPOUSE OR COMMON-LAW SPOUSE'S TFSA?

No. However, money you give to your spouse to contribute to his or her TFSA will not be subject to CRA's income attribution rules. The TFSA allows both you and your spouse to earn tax-free investment income, regardless of which spouse contributed the funds.

18. IF I GIVE FUNDS TO MY SPOUSE TO CONTRIBUTE TO HIS OR HER TFSA, WHO WILL GET THE INCOME, ME OR MY SPOUSE?

Your spouse owns the TFSA and will earn any investment income and capital gains in the account.

19. CAN I OPEN A JOINT TFSA ACCOUNT?

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

20. IF I PASS AWAY, WHAT HAPPENS TO THE INCOME AND GAINS IN MY TFSA?

On death your TFSA will not be subject to taxation until the end of the calendar year following the year of death, known as the rollover period. But tax may be payable for certain beneficiaries on funds that accumulate in the TFSA after your date of death even during the rollover period.

21. IF THERE IS A BREAKDOWN OF A MARRIAGE OR COMMON-LAW PARTNERSHIP, WHAT WILL HAPPEN TO MY TFSA?

TFSA assets may be transferred between spouses or common-law partners on marriage or relationship breakdown but the transfer will not reinstate contribution room of the transferring spouse or reduce the contribution room of the receiving spouse.



**Market Pulse:**

Major Stock Indexes	Level/Price	YTD Return Ending Dec 30/17
S&P/TSX Comp	16,209	6.00%
S&P 500 Comp	2,674	19.26%
Dow Jones Industrial Avg	24,719	24.66%
Major Bond Index		
FTSE Universe	1,041	2.93%
Commodities		
Crude Oil - WTI (US\$/bbl)	\$60.00	11.40%
Gold (US\$/oz.)	\$1,309	13.36%
N. Gas (US\$/MMBtu)	\$3.00	-19.85%
Currency		
Canadian Dollar (CAD/USD)	\$0.79	6.70%

Source: Bloomberg.

Personal Updates:

Lori had a wonderful Christmas visiting family in Denver. Some of the organized events included going to the Colorado Symphony and a Paint and Sip night along with the usual shopping, wrapping, gift giving & opening, games, walks, eating, loading up the treats tray, happy hours and some relaxation watching "The Crown" on Netflix. Now that January is here, Lori plans to cut back on the sweets and wine and load up on chicken and vegetables! January is never as fun as December!

Jay enjoyed a wonderful Christmas and New Year celebration with family and friends. They skied up at Big White a few times and played hockey on the pond behind their house. Tucker is excited for his first (and only) hockey tournament in early January in Salmon Arm and Charley is slowly building up the courage to try snowboarding for the first time. Everyone in the family enjoys the various winter sports, but Jay is already starting to dream of Maui coming up in March.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual funds. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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