

A Husband's Point Of View

JANUARY

A.M.H. Financial Services



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On the Lighter Side

Sign in restaurant window:
Eat now.....Pay waiter

The four food groups: Fast,
Frozen, Instant,, and
Chocolate

The nurse next door has
changed her name to
Appendix. She's hoping one
of the surgeons will take her
out

What did the neurotic pig
say to the farmer? You take
me for grunted.

What do Eskimos get from
sitting on the ice too long?
Polaroids

Happy New Year!

It's that time of year to talk about RRSP's again. A registered retirement savings plan (RRSP) is a type of savings account specially designed to help Canadians save for their retirement. It comes with tax advantages that let you save and grow your money now, while deducting your RRSP contributions from your current tax bill. When it's time to take your money out, you'll pay taxes on the withdrawal amount, but likely at a much lower rate than what you'd pay today. By the time you retire you will likely be in a lower tax bracket, so withdrawals are taxed at a lower rate than today.

When you contribute money to a RRSP, your funds are "tax-advantaged", meaning that they're exempt from being taxed in the year you make the contribution. Any investment income earned from investments held within the RRSP can then grow tax-deferred, as long as the money remains within the RRSP, until it's withdrawn.

You're allowed to contribute up to 18% of your previous year's earned income, up to a maximum amount set each year by the Income Tax Act and Regulations. You can also carry forward any unused contribution room from previous years.

RRSPs offer tax-deferred savings. This means you won't have to pay tax on your investments and any income earned on those investments until you start withdrawing funds.

Open an RRSP today. Life looks different. With my advice, your registered retirement savings plan (RRSP) can too.

For more information on RRSP's or to add to or set one up please call me today (780) 425-4058 or email andy@amhfinancial.ca

Happy New Year!

RRSP Facts for 2023

What is the RRSP deadline for 2022?

The RRSP deadline for 2022 is March 1, 2023.



Why contribute before the deadline? RRSP contributions made before the deadline can help lower your taxable income, which may result in a tax refund after you've filed your 2022 taxes.

What if you miss the RRSP deadline? You can still make RRSP contributions, but your contributions won't be tax-deductible until the following tax year (2022).

How much can I contribute to an RRSP?

You're allowed to contribute up to 18% of your previous year's earned income, up to a maximum amount set each year by the Income Tax Act and Regulations. You can also carry forward any unused contribution room from previous years.

Every little bit counts, so rather than looking for one big way to save a ton of money, save in lots of small ways and set yourself up for success!

Year	RRSP Contribution limit
2023	\$30,780
2022	\$29,210
2021	\$27,830
2020	\$27,230



Where can I find my RRSP contribution limit?

The Notice of Assessment that the Canada Revenue Agency (CRA) sends to you each year after processing your tax return shows your RRSP contribution limit. This includes any unused contribution room from previous years. You can also sign in to your CRA account to view your limit on your Notice of Assessment.

Who can make an RRSP contribution?

As long as you have contribution room, you can make an RRSP contribution until the end of the year you turn age 71.

When can I make an RRSP contribution?

If you have contribution room, you can contribute at any time – either in a lump sum or by making periodic contributions throughout the year. The key to a healthy RRSP is to start early and establish a regular savings schedule.



RRSP's vs TFSA'S

If you're saving for retirement, then an RRSP may be a great choice. When you contribute into an RRSP, you defer paying tax from your peak earning years to retirement, when your income and tax liabilities may be lower. Think of it as a strategy that can optimize your saving capabilities.

While a TFSA is not specifically designed as a retirement savings account, its flexibility potentially can make it an excellent complement to an RRSP. If you have already maximized your RRSP contributions, then a TFSA may be an option for you to save more money and get the benefits of tax-free growth and withdrawals.

When you need flexibility. TFSAs can be used for any type of savings goal, while an RRSP is really only meant for the big one: your retirement. That's why you can withdraw money anytime from your TFSA without any penalties or tax implications. And you won't lose contribution room when you do.

Choosing between the TFSA vs RRSP is easier than you think. Everyone should have both a TFSA and an RRSP, preferably in an investment account. The TFSA makes sense for virtually everyone, but the RRSP is best for high-income earners or your TFSA is maxed out.

When it comes to saving, the TFSA vs. RRSP debate is always at the forefront. Many people are confused as to whether to choose the Registered Retirement Savings Plan (RRSP), Tax-Free Savings Account (TFSA), or a combo of both to put money away for the future.

Regardless of whether you choose the RRSP or TFSA (or make use of both!), one of the best things you can do is invest consistently. This is why I recommend setting up a pre-authorized "set it and forget it" investment solution to pay yourself first. Over time, you can gradually increase your contributions until you max out both accounts.

Both RRSP and TFSA investments are vehicles that shelter taxes on your investment returns, but depending on your circumstances, one might be better for your money than the other.

The TFSA is more flexible and offers a better tax benefit than the RRSP but doesn't have as high contribution room. The RRSP will probably let you set aside more but has stricter rules around when you can withdraw your money and the reason behind it. Ultimately, everyone should aim to have both an RRSP and a TFSA and spread the savings across both accounts.

Here's why nearly half of Canadians polled on an RBC survey invest in an RRSP:

- ◆ Use an RRSP to save for retirement while also saving for anything in a TFSA
- ◆ Contributions reduce your annual income, lowering your tax bill
- ◆ Taxes on your investment income are only paid when withdrawn
- ◆ You can borrow money from your RRSP to go to school² or buy your first home without penalty, provided it is repaid within the required time
- ◆ You can make up for missed contribution room from previous years

Financial Advisor
Since 1976



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Take a look at our website!

www.amhfinancial.ca

AMH Financial Services is a full-service firm. We offer services to help you examine your financial goals and select the options that will best suit your needs, timeframe and investment style. We believe in helping you create a comprehensive financial plan for your family that includes planning, insurance and portfolio management.

MY COMMITMENT AS A FINANCIAL ADVISOR IS TO HELP PEOPLE TO REACH THEIR FINANCIAL GOALS. IF YOU HAVE A FAMILY MEMBER, FRIEND OR COLLEAGUE WHO YOU FEEL COULD BENEFIT FROM A CONVERSATION WITH ME, I WOULD BE PLEASED TO SPEAK WITH THEM WITHOUT OBLIGATION.

I believe that every individual has an unalienable right to make the best and most effective use of hard-earned income, to have easy access to up-to-date and informed advice, and to be able to provide for short and long-term requirements.

I am committed to serving the individual customer with investment and financial portfolios which will meet current needs and provide for future requirements and situations.



My mission is to help you to make an educated decision that you are comfortable with!

Understanding what matters to you.

As life changes, your financial priorities evolve. That's why at AMH Financial Services we are here to understand you first, and then your financial picture.

We take the time to understand your unique investment goals. Through an in-depth discovery process, we'll get to know who you are and what truly matters to you and your family.

I have been helping people reach their financial goals for over forty years!
I need your assistance to help me reach out to other people that can benefit from my over 40 years of experience in the financial industry.
Perhaps your children, friends, neighbours or even coworkers!

If you know of someone that is in need of a financial advisor please provide me with their name and contact information. If they place business with me I will award you with a gift card for either Tim Hortons, Amazon or Wayfair.



Together we can make good things happen for other people!