

A Husband's Point Of View

A.M.H. Financial Services



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On the Lighter Side

A random email address keeps sending me loads of pictures advertising tinned meat. I hate spam.

What did the dad coffee bean say to the kid coffee bean? You're grounded

What do you call a drunk wall? Plastered

What type of music are balloons most afraid of?
Pop Music

There's something dangerous about an active circular saw, but I just can't put my finger on it.

It's September, summer is coming to an end and the kids are going to go back to school, though under different circumstances due to the pandemic. I hope that you all had a restful and relaxing summer despite the current circumstances.

A Tax Free Savings Account (TFSA) is a flexible, general purpose savings vehicle that allows you to make contributions each year and to withdraw funds at any time in the future. A TFSA provides you with a powerful incentive to save by allowing the investment growth to accumulate and be withdrawn tax free. However, unlike an RRSP, you cannot claim a tax deduction for contributions you make to a TFSA and your withdrawals are added back to your unused contribution room for the following year.

Once you contribute funds into a TFSA, any growth or income earned on the underlying investment will not be taxed nor will it be taken into account for the purposes of determining your eligibility for federal income-tested benefits and credits such as Old Age Security (OAS), the Guaranteed Income Supplement (GIS), the Canada Child Tax Benefit, the Employment Insurance benefits, the Goods and Services Tax Credit and the Age Credit.

There is no restriction on how withdrawals can be used. Withdrawals may be made for personal reasons, investment, education or any other purpose.

A TFSA is an ideal all-purpose savings account that offers complete flexibility to save for a multitude of uses in one account. Your savings build up over time – tax-free - helping you reach your goals sooner, and you can withdraw your money when you need it.

A TFSA is an excellent choice if you have non-registered investments. The TFSA allows you to turn taxable income into tax-free income for life, by creating a more tax-efficient investment portfolio and enabling you to maximize your investment growth.

There's something for everyone with a TFSA and at AMH Financial we can help you decide how the TFSA can help you meet your goals.

For more information on Tax Free Savings Accounts (TFSAs) call me today (780) 425-4058.



5 Things You May Not Know About TFSAs

Did you know if you've never opened a TFSA, you can contribute up to \$69,500 today?

The tax-free savings account (TFSA) lets you stash extra cash for just about anything – rainy-day savings, a new house or retirement. A TFSA lets you do this without paying any tax on the growth within the account or on withdrawals.

Still, since the government introduced the TFSA in 2009, it's estimated that only around half of Canadians have opened one. Here are of the most common misunderstandings about the TFSA:

1. It's called a savings account, but can hold just about anything.

From our earliest days, a "savings account" was where money went when they came out of the piggy bank. The name suggests deposits, safety and low rates. But almost any investment you can hold in a registered retirement savings plan (RRSP) can also go into your TFSA. This includes bonds, stocks, mutual funds, exchange-traded funds, options, etc.

2. You can re-contribute your TFSA withdrawals — but not until the next year.

In the first years of the TFSA, there were many stories about Canadians accidentally over-contributing. Because of these over-contributions, they faced penalties from the Canada Revenue Agency (CRA). But most problems came from a simple misunderstanding. So far, the CRA has been forgiving. They've waived penalties if you say it was an accident and promise not to do it again. But there's no guarantee they will continue to do this in the future.

3. You can't lose your TFSA contribution room.

If you've never opened a TFSA, you can contribute up to \$69,500 today: \$5,000 for each year from 2009 to 2012; \$5,500 for each of 2013 and 2014; \$10,000 for 2015; \$5,500 for each of 2016, 2017 and 2018; and \$6,000 for 2019 and 2020. Plus, you never lose contribution room, regardless of your age. You may not have money today. But many Canadians will reap a mid-life windfall from an inheritance, downsizing a home, severance or insurance payouts. Putting such proceeds into a TFSA (provided they don't go over the contribution room) can help shield their future growth from income tax. Unused contributions from each year can be carried forward, and withdrawals will [usually] result in new contribution room.

4. You can use a TFSA an emergency fund.

You can use a TFSA for your existing savings, even if they are relatively modest. As long as you don't lock the funds into a non-redeemable investment such as a guaranteed investment certificate that can only be redeemed upon maturity, you will be able to access the money at any time. This also makes a TFSA perfect to use as an emergency fund. You will have the security of knowing the money will be available if you need it.

5. You don't have to choose between a TFSA and an RRSP.

There are many clever ways to make the TFSA and RRSP work together to improve your wealth. As a general rule, RRSPs are a good choice for longer-term goals such as retirement. But TFSAs work better for more immediate objectives, such as a house down payment. A TFSA is also a good place to save if you have reached your RRSP contribution limit.



**Do more today
while saving for
tomorrow!**



Some Facts About TFSA's

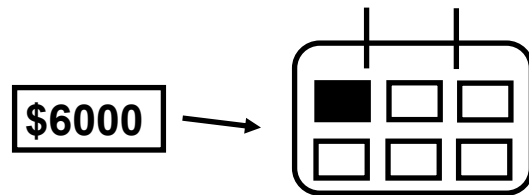
- ◆ TFSA's are available to Canadians age 18+.
- ◆ The annual contribution limit is indexed for inflation
- ◆ You can save tax free for any goal you want (car, home, vacation).
- ◆ You don't need earned income to contribute.
- ◆ You don't have to set up a TFSA or file a tax return to earn contribution room.
- ◆ You can take money out when you want, for any reason, without paying any tax.
- ◆ If you take money out, you can re-contribute it the following year, in addition to the annual maximum.
- ◆ You can hold a wide range of investments in a TFSA, like cash, GICs, bonds, stocks and mutual funds.
- ◆ You can put money into your spouse's or common-law partner's account.

Benefits of a TFSA



Tax-free growth

You don't pay taxes on the investment income or growth earned in your TFSA.



Contribute up to \$6,000 a year

Any unused contribution room is carried forward.



Tax-free withdrawals

You don't pay taxes on withdrawals.



You can put back any amount you withdraw

You can re-contribute amounts withdrawn in the year or years after you withdraw them.

*most people don't plan to fail,
they fail to plan!*

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.

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.

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!



"Do not save what is left after **spending**, but spend what is left after **saving**."

- Warren Buffett