MACKENZIE Investments

TFSA at a glance

A Tax-Free Savings Account (TFSA) is a government-registered account that allows Canadians to earn investment income tax-free, both while invested and when withdrawn.

Eligibility

Any Canadian resident who is 18 years of age or older with a valid Social Insurance Number (SIN) can open and contribute to a TFSA. There is no maximum age limit. Note, contributions made while a non-resident of Canada may be subject to penalties.

Contributions

- Contributions are not tax-deductible.
- Annual contribution limits are set by the federal government and accumulate each year if unused.
- Unused contribution room carries forward indefinitely.
- Re-contributing in the same year without available room may result in overcontributions, which are subject to a 1% monthly penalty tax.
- You can check your current contribution room through the Canada Revenue Agency (CRA) portal or your latest Notice of Assessment.

2026 TFSA contribution room

- Cumulative contribution room: $109,000*
- Annual limit in 2026: $7,000

Benefits of the TFSA

- Investment income, capital gains and withdrawals are all tax-free.
- Flexible access to funds at any time.
- Does not affect eligibility for income-sensitive government benefits (such as OAS, GIS, Canada Child Benefit).
- Supports both short-term and long-term savings goals.

Withdrawals

- Withdrawals can be made at any time, for any purpose, tax-free.
- Withdrawn amounts are added back to contribution room in the following calendar year.

Investment options

A TFSA can hold a variety of investments, including stocks, bonds, mutual funds and ETFs.

Contact your financial advisor to learn more about a TFSA or to open an account.

*TFSA contribution room accumulates annually starting in 2009 for Canadian residents who are at least the age of majority during the calendar year. In British Columbia, Newfoundland and Labrador, Nova Scotia, and New Brunswick, the age of majority is 19, so a TFSA cannot be opened until then; however, contribution room begins accumulating at age 18.

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