

CANADA REGISTERED SAVINGS PLANS

All Canadian Registered Savings plans



Saving Your Money in Canada (Savings Plans)

The following plans are savings accounts that come with tax benefits. They let you avoid or defer (pay later) some of the taxes you pay. The “registered” in Registered Savings Plans comes from how you have to register the account with the Canada Revenue Agency to receive benefits.



REGISTERED RETIREMENT SAVINGS PLAN (RRSP)



An RRSP is a retirement savings plan that either you or your spouse can contribute to. RRSP contributions can be used to reduce your tax. As long as funds remain in the plan, any income you earn from an RRSP is **tax exempt** (You don't pay tax on the money you put into an RRSP account, or any interest you earn on it, until you take the money out). The maximum amount you can put into an RRSP is equal to 18% of your employment income.

[Click here for more information on eligibility and conditions of RRSPs](#)

REGISTERED EDUCATION SAVINGS PLAN (RESP)



A Registered Education Savings Plan (RESP) is a special savings account for parents **who want to save for their child's education after high school**. Think of an RESP as a contract between you (the subscriber) and another person or organization (the promoter). Your child (the future student) is the beneficiary, the one who receives the educational assistance payments (EAPs).

[Click here for more information on RESPs](#)

TAX-FREE SAVINGS ACCOUNT (TFSA)



- Opening up a TFSA may be a good option for new Canadians who wish to invest shortly after moving to Canada. It is designed to help you save and invest money and the return you earn is tax free. You can withdraw funds whenever you need, making it a flexible way to save for your future goals. Additionally, you don't need to have earned an income to be able to contribute to a TFSA. So newcomers can open up a TFSA and start saving right away.
- Canadians who are 18 or older and have a valid social insurance number can open up a TFSA. Unlike a registered retirement savings plan (RRSP), you can start contributing money into a TFSA right away and take advantage of the tax-free savings; making the TFSA an attractive alternative to an RRSP.

[Click here for more information on eligibility and conditions of TFSAs](#)