

Grow your savings tax-free

Saving for short or long-term goals can be a challenge, but now there's a way to make it easier. As you may already know, on January 2, 2009, the government made a new Tax-Free Savings Account (TFSA) available to Canadians 18 years of age or older.* The TFSA is a registered savings account that lets you invest up to \$5,000 per year and take advantage of tax-free growth. You can enjoy access to your savings on a tax-free basis anytime. Take advantage of this great opportunity for you to save.

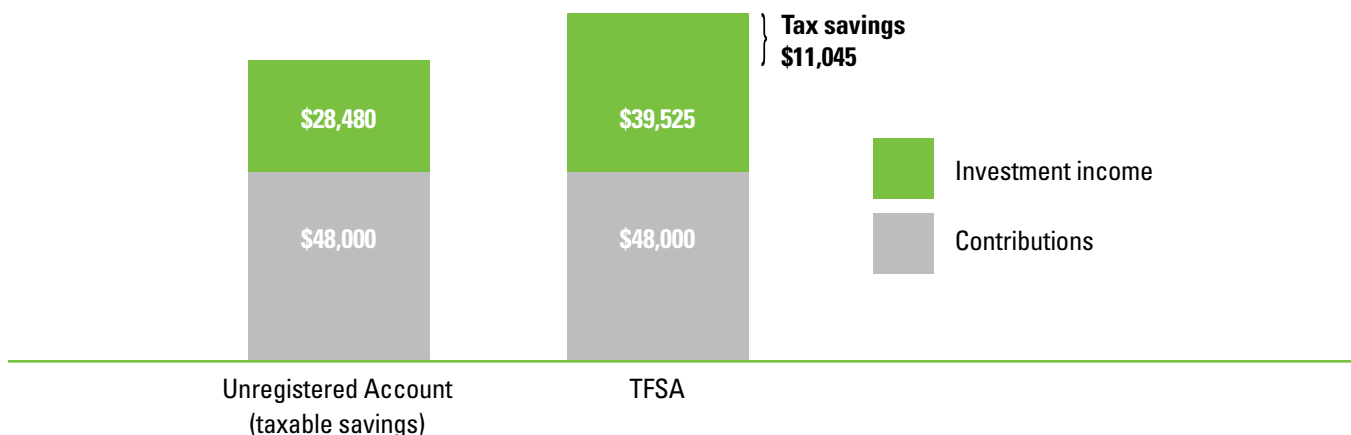
Main benefits of a TFSA

Tax-free growth

You pay no tax on your investment income and growth in your TFSA, whereas investment income earned in an unregistered account is taxed. Tax-free growth can help you build your savings faster.

For example, if you contribute \$200 a month to a TFSA for 20 years, you will enjoy an additional \$11,045 of savings compared to the same investments held in an unregistered account.

TFSA vs. unregistered account



Source: Government of Canada

Notes: Combined federal and provincial tax savings based on a \$200 monthly contribution for 20 years and a 5.5 per cent rate of return. For unregistered savings, a 21 per cent average tax rate on investment income is assumed (based on 40 per cent interest, 30 per cent dividends and 30 per cent capital gains, and a middle-income earning account holder).

Flexibility to contribute and make withdrawals

With a TFSA you can contribute up to \$5,000 per year. Plus, any unused contribution room will be carried forward to future years. You can also withdraw your money any time and pay no tax on withdrawals, and you will get this contribution room back the following year.

* In British Columbia, Newfoundland and Labrador, Nova Scotia or New Brunswick, accounts may not be opened until age 19 (which is the age of majority in those provinces). However, contribution room will still begin accumulating at age 18.

Save for short or long-term goals

There are no restrictions on what you can save for with a TFSA. You can use your TFSA to save for shorter-term goals like a car, a cottage or house renovations, or longer-term goals like retirement or your child's education.

TFSA vs. RRSP

An RRSP is primarily intended for retirement. The TFSA can be used for any type of savings. Both an RRSP and a TFSA offer tax advantages, but there are some key differences:

	TFSA	RRSP
Contributions	Not tax-deductible	Tax-deductible
Withdrawals	Tax-free. Withdrawals are added to contribution room effective the following year.	Taxed as earned income. Withdrawals are final and you lose that contribution room.
Contribution room	\$5,000 per year. Unused contribution room can be carried forward indefinitely.	Based on a percentage of earned income from the previous year. Unused contribution room can be carried forward indefinitely.
Age requirements	Must be 18 years of age or older to be eligible.	Must be converted to a RRIF or an annuity at age 71.
Saving for a home	Contribute to increase savings for a home purchase. Not required to repay.	Contribute to an RRSP and use the Home Buyers Plan to help purchase a home. You must repay this money to your RRSP over a specified period.
Saving for an education	After taking advantage of the Canada Education Savings Grant from the first \$2,500 annually contributed to an RESP, use a TFSA to save for an education.	Contribute and use the Lifelong Learning Plan to pay for your education. You must repay this amount to your RRSP. You will be taxed and you won't get the contribution room back.
Retirement income	Already taxed money so not taxed again.	Taxed at tax rate in retirement. Generally, income will be equal or lower in retirement.

How do I decide what to invest in my TFSA?

As with any investment plan, it is important to speak with your advisor to discuss your savings goals and investment options for the TFSA.

Plus, Transamerica Guaranteed Investment Funds offer estate planning benefits including a 100% Death Guarantee* and a 75% Contract Maturity Guarantee*. As well, segregated funds are investments within a life insurance contract, so the proceeds of your segregated fund contract can be paid directly to your named beneficiary. This bypasses the probate process ensuring your beneficiaries receive the full amount of the Death Benefit.

Or you may want to think about **imaxxFunds** mutual funds offered by AEGON Fund Management. There's a choice of 12 funds that allow you to create a diversified portfolio on your own, or choose from our 5 TOP Portfolios and have the work done for you.

Speak to your advisor today about designing a customized savings plan to suit your needs, and to choose investments that can help grow your savings over time.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the **imaxxFund** Simplified Prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Any amount that is allocated to a segregated fund is invested at the risk of the contract holders and may increase or decrease in value.

* Less proportionate market value reduction for withdrawals and fees.

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