

Contribution Reminder for Your BMO Nesbitt Burns RRSP / TFSA / RESP

It's important to start the year right. That's why I wanted to remind you of how important it is to maximize the value of your registered/tax-sheltered accounts; namely, your **Registered Retirement Savings Plan (RRSP)**, **Tax-Free Savings Account (TFSA)** and **Registered Education Savings Plan (RESP)**, by making your annual contributions in a timely manner. These plans represent highly effective ways for you to save for retirement, your children's (or grandchildren's) education and other long-term goals, while providing significant tax-saving opportunities. I've included some important details below for each.

RRSP contribution details

- **The deadline** for making your 2016 RRSP contribution is **March 1, 2017**.
- **Your 2016 RRSP contribution limit** is based on any unused contribution room carried forward from 2015, plus your 2016 contribution amount (the lesser of \$25,370 or 18% of your 2015 earned income less any applicable pension adjustments).
- If you've already made your 2016 RRSP contribution, consider making your **2017 RRSP contribution** early and benefit from the tax-deferred growth of your RRSP. The maximum **RRSP contribution limit for 2017 is \$26,010**, again, less any pension adjustments.

TFSA contribution details

- **The annual TFSA contribution limit** for 2017 is **\$5,500**.
- Unused contribution room – dating back to 2009 when TFSAs were first introduced – carries forward and can be used in any future year.
- You can gift funds to your spouse/common law partner (spouse/partner) or adult child to allow them to contribute to their own TFSA (subject to their personal TFSA contribution limit). Income earned within a spouse's/partner's or adult child's TFSA will not be attributed back to you.

RESP contribution details

- **There is no minimum annual contribution limit** that you must make. However, there is a maximum lifetime contribution limit of \$50,000 per beneficiary. The number of years over which contributions can be made to an RESP is 31 years.
- The federal government's **Canada Education Savings Grant (CESG)** helps ensure students have enough money to fund their higher education. The grant pays 20 per cent of annual contributions per beneficiary to an RESP, up to a maximum of \$500 per beneficiary. The maximum lifetime CESG is \$7,200 per beneficiary.

If you haven't made your 2016 and/or 2017 contributions, please contact the office for more information or to discuss making these contributions.



BMO Wealth Management provides this publication for informational purposes only and it is not and should not be construed as professional advice to any individual. The information contained in this publication is based on material believed to be reliable at the time of publication, but BMO Wealth Management cannot guarantee the information is accurate or complete. Individuals should contact their BMO representative for professional advice regarding their personal circumstances and/or financial position. The comments included in this publication are not intended to be a definitive analysis of tax applicability or trust and estates law. The comments are general in nature and professional advice regarding an individual's particular tax position should be obtained in respect of any person's specific circumstances.

BMO Wealth Management is a brand name that refers to Bank of Montreal and certain of its affiliates in providing wealth management products and services. Not all products and services are offered by all legal entities within BMO Wealth Management.

BMO Private Banking is part of BMO Wealth Management. Banking services are offered through Bank of Montreal. Investment management services are offered through BMO Private Investment Counsel Inc., an indirect subsidiary of Bank of Montreal. Estate, trust, planning and custodial services are offered through BMO Trust Company, a wholly owned subsidiary of Bank of Montreal.

BMO Nesbitt Burns Inc. provides comprehensive investment services and is a wholly owned subsidiary of Bank of Montreal. If you are already a client of BMO Nesbitt Burns Inc., please contact your Investment Advisor for more information. All insurance products and advice are offered through BMO Nesbitt Burns Financial Services Inc. by licensed life insurance agents, and, in Quebec, by financial security advisors.

BMO Nesbitt Burns Inc. is Member – Canadian Investor Protection Fund. Member of the Investment Regulatory Organization of Canada.

©"BMO (M-bar roundel symbol)" is a registered trade-mark of Bank of Montreal, used under licence.

All rights are reserved. No part of this publication may be reproduced in any form, or referred to in any other publication, without the express written permission of BMO Wealth Management.

ID0213 (12/16)