

2022 Financial Checklist

To better position yourself for financial success in 2022 and beyond, here are some top tips to consider.



Contribute to Your Retirement

The 2021 Registered Retirement Savings Plan (RRSP) contribution deadline is March 1, 2022 at 11:59 PM (local time). Contributions made during the first 60 days of 2022 can be applied against either the 2021 or 2022 taxation year.



Consider a TFSA for Any of Your Savings Goals

A Tax-Free Savings Account (TFSA) allows you to save money each year without paying any tax on the investment income (interest, capital gains or dividend income) you earn.



Automate Your Savings and Investing

Setting up a Pre-Authorized Chequing Plan (PAC), i.e., a regularly scheduled contribution that comes right off your paycheque or out of your bank account, can help build your savings with minimal effort.

By investing regularly and following a consistent investment plan, you can take advantage of the benefits of compound growth, regardless of how much is invested.



Make Use of Your Company Benefits

Many companies offer employee savings or contribution matching plans. Check with your Human Resources department to see if you can take advantage of any employee programs that will help you build your savings faster.



Ensure Your Beneficiaries Are Up To Date

The beneficiary is the person or entity that will receive the proceeds from your account when you die. By naming a beneficiary, you eliminate any doubt as to whom you want your money to go. If you haven't specified one, the default is your estate - and there could be significant delays and paperwork involved to release the funds.

Impact of an Interest Rate Rise

Just like equity markets, real estate also has risks, such as interest-rate risk. A small increase in the interest rate can have a significant impact on your monthly payment, having a ripple effect on your financial budget and goals.

Assuming a 25-year amortization period, let's look at a few examples using the latest posted rates:

2.79% = 1-year fixed rate¹, 3.49% = 3-year fixed rate¹; 4.79% = 5-year fixed rate¹

Mortgage Amount	Mortgage Rate	Monthly Payment ²	Additional Monthly Cost ³	Additional Yearly Cost ³
\$100,000	2.79%	\$462.54	-	-
	3.49%	\$498.74	\$36.20	\$434.40
	4.79%	\$569.71	\$107.17	\$1,286.04
\$300,000	2.79%	\$1,387.61	-	-
	3.49%	\$1,496.23	\$108.62	\$1,303.44
	4.79%	\$1,709.13	\$321.52	\$3,858.24
\$500,000	2.79%	\$2,312.68	-	-
	3.49%	\$2,493.71	\$181.03	\$2,172.36
	4.79%	\$2,848.54	\$535.86	\$6,430.32

Your Primerica Representative can talk to you about possible debt solutions, help keep you on track to achieve your financial goals and help determine that your portfolio is appropriately diversified.

¹ Mortgage Rate History - Super Brokers

² Source: Financial Consumer Agency of Canada. Mortgage Calculator - Canada.ca (fcac-acfc.gc.ca).

³ Compared to 2.79%



RRSP vs TFSA: Which one should you choose?

A Primerica Representative can help you understand what the key differences mean for you and how best to make use of these two plans based on your tax bracket and your short-term and long-term financial objectives.

	RRSP	TFSA
Eligibility	<p>A valid Canadian Social Insurance Number.</p> <p>You need to have filed an income tax return to open an RRSP. This creates the contribution room for your RRSP.</p>	<p>A valid Canadian Social Insurance Number.</p> <p>You need to be a Canadian resident.</p>
Age Restrictions	<p>No minimum age.</p> <p>Maximum age is 71.</p>	<p>Minimum age is 18.</p> <p>No maximum age.</p>
Contribution Limits and Deadlines	<p>The lesser of \$27,830 for 2021 and \$29,210 for 2022 and 18% of earned income from your previous tax year, minus any pension adjustments, plus unused contribution room from previous years. The 2021 contribution deadline is March 1, 2022 at 11:59 PM (local time).</p>	<p>\$6,000 for 2022 (plus unused contribution room)</p> <p>The contribution deadline is December 31, 2022.</p>
Carryforward	<p>RRSP contribution room accumulated after 1990 can be carried forward indefinitely to subsequent years.</p>	<p>Unused contribution room can be carried forward.</p> <p>Any withdrawals are added back to unused contribution room the next calendar year.</p>
Taxation	<p>Contribution is tax-deductible.</p> <p>No tax on any investment income or growth.</p> <p>Withholding tax applies if withdrawn - the amount withdrawn is added to taxable income.</p>	<p>Contribution is not tax-deductible.</p> <p>Grows tax-free.</p> <p>Contributions and income earned are not subject to tax when withdrawn.</p>

For more information about the differences between RRSPs and TFSAs, go to AGF.com/RRSP and AGF.com/TFSA.

Contact me to help you define your financial goals and stick to a plan to achieve them.

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The information contained in this document is designed to provide you with general information and is not intended to be tax advice applicable to the circumstances of the investor. Investors should consult their Primerica Representative and tax advisors prior to implementing any changes to their investment strategies.

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