**TFSA Contribution with Agentic AI**

**1. Core TFSA Policy Integration for AI Calculations**

**Contribution Room Formula**  
The AI must dynamically calculate using:  
**Current Contribution Room = (Unused past room) + (Prior-year withdrawals) + (Current year's limit)**.

* *Example*: For Melanie (age 23, first contribution in 2025):
  + Unused past room (2019-2024): $34,500
  + 2025 limit: $7,000
  + **Total room: $41,500**

**Critical Rules for Validation**

* **Overcontribution Penalty**: 1% monthly tax on excess amounts until withdrawn.
* **Withdrawal Timing**: Withdrawn funds are only re-contributable *next year* (e.g., 2024 withdrawal → 2025 room).
* **Loss Impact**: Withdrawing depreciated assets (e.g., $10,000 → $6,000) permanently reduces reclaimable room.

**2. Agentic AI Workflow**

Here’s how Melanie’s interaction would unfold with policy-aware AI:

| **Step** | **AI Action** | **Policy/Technical Basis** |
| --- | --- | --- |
| **1. Intent Recognition** | Detects "contribute to TFSA" and auto-fetches: - Age/SIN/residency status - All linked TFSA accounts | Eligibility: 18+, valid SIN, Canadian resident |
| **2. Room Calculation** | Displays: - **$41,500 total room** - **$0 used** (new user) - **$41,500 remaining** | Real-time sync with bank’s contribution records and CRA data |
| **3. Contribution Execution** | Processes $500 from checking → TFSA: - Validates amount against remaining room - Blocks overcontributions with error: *"Exceeds limit by $X"* | 1% monthly penalty avoidance |
| **4. Confirmation & Advice** | Shows: - **New TFSA balance: $500** - **Remaining room: $41,000** - *"Withdrawn funds re-contributable next Jan 1"* | Withdrawal recontribution rules |

**3. Advanced Personalization Features**

**Proactive Risk Mitigation**

* Alerts if Melanie attempts the same-year recontribution:  
  *"⚠️ Re-adding $500 now would overcontribute. Available room: $0. Wait until Jan 1, 2026."*.
* Warns against withdrawing depreciated assets:  
  *"Selling now locks in $4,000 room loss. Hold to preserve full $10,000 reclaimable room."*.

**Behavioral Nudges**

* Post-payday reminder: *"You have a $41,000 room. Contribute $500 this month?"*
* Post-withdrawal note: *"$500 withdrawn today → $41,500 room on Jan 1, 2026."*

**4. Technical Architecture**

A diagram of a flowchart

AI-generated content may be incorrect.

**5. Business Impact & Compliance**

* **Cost Reduction**: 80% call deflection for TFSA queries; $15/contact saved.
* **Revenue Growth**: 25% uptake in contributions from personalized nudges.
* **Compliance Safeguards**:
  + Auto-file RC243 form for non-resident overcontributions.
  + Direct institution transfers to avoid withdrawal penalties.

**6. Edge Case Handling**

* **Non-Residents**: Block contributions and alert: *"Non-residents may face penalties"*.
* **Multiple TFSAs**: Aggregate contributions across all institutions.
* **Age 18 in 2025**: Auto-apply $7,000 limit (no prior room)