

2025 Maximum TFSA Contribution Limits & Withdrawal Rules

Key takeaways

- The maximum TFSA contribution limit for 2025 is \$7,000. Any unused amount rolls over while TFSA withdrawals count towards next year's limit.
- You could withdraw from your TFSA anytime tax-free, and re-contribute the amount the following year.
- Enjoy tax-free growth, flexible savings, and diverse investment options.



Why TFSA?

Whether you're saving for a big purchase, your first home, or an extended vacation, a Tax-Free Savings Account (TFSA) in Canada could help you get there. Once you've opened a TFSA, you can contribute to your TFSA at any time and income earned from eligible investments or products opened through your TFSA may grow tax-free – unlike a non-registered savings account.

TFSA Contribution Room

How much you can contribute once you've opened an account is determined by your contribution room – the maximum amount that you can contribute to TFSAs in any given year. Your contribution room accumulates each year in which you are 18 years of age or older and a resident of Canada, even if you don't file an income tax return or open a TFSA. So, if you've opened a new TFSA in 2025 and have previously never contributed to a TFSA, you would have a total contribution room of \$102,000 if you were 18 years or older in 2009 and were a resident of Canada from the year 2009.

Your max TFSA contribution room consists of the current year's contribution limit, any unused contribution room that you have accumulated from previous years and the total value of TFSA withdrawals made in the previous year.

All contributions made during the current year to your TFSA, including the re-contribution of withdrawals, count against your contribution room.

Ready to get started? Explore your TD Canada Trust TFSA options >

Contributing to a Tax-Free Savings Account (TFSA)

What is the TFSA eligibility?

To open a TFSA at TD:

- You must be the age of majority in your province or territory. In some provinces and territories, the age is 19.
- Have a valid social insurance number (SIN)
- You must be a Canadian resident

How much can I contribute to my TFSA?

The TFSA annual contribution room for 2025 is \$7,000. You can also carry forward any unused contribution room from previous years. Click here to see the annual TFSA dollar limit for each of the years, since TFSA was introduced in 2009.

Year	Annual TFSA contribution limit	Cumulative limit
2025	\$7,000	\$102,000
2024	\$7,000	\$95,000
2023	\$6,500	\$88,000
2022	\$6,000	\$81,500
2021	\$6,000	\$75,500
2020	\$6,000	\$69,500
2019	\$6,000	\$63,500
2018	\$5,500	\$57,500
2017	\$5,500	\$52,000
2016	\$5,500	\$46,500
2015	\$10,000	\$41,000
2014	\$5,500	\$31,000
2013	\$5,500	\$25,500
2012	\$5,000	\$20,000
2011	\$5,000	\$15,000
2010	\$5,000	\$10,000
2009	\$5,000	\$5,000

Keep in mind that the investment income earned in your TFSA and changes in the value of your investments do not affect your TFSA contribution room for current or future years.

The annual TFSA contribution room is subject to change by the federal government. Additional information can be found on the CRA website [here](#).

How will I know what my maximum TFSA contribution limit is for each year?

Every year, the government calculates how much TFSA contribution room you have available.

How to calculate my TFSA contribution room?

If you've contributed to your TFSA in the current year, that amount won't be reflected in your total contribution room. But if you haven't, you can log into **CRA My Account** to check your current contribution room.

You can calculate your TFSA contribution room by summing up:

- The current year's contribution limit
- Unused contribution room from previous years
- The withdrawals from your TFSA in the previous year

To illustrate this with an example, let's say in 2024, you contributed \$5,000 to your TFSA with a contribution room of \$7,000. You then withdrew \$1,000 a few months later. In 2025, you'll have a contribution room of that year's \$7,000 plus the \$3,000 from the previous year.

How to track TFSA contributions?

Tracking your TFSA contributions is crucial to stay on top of your contribution room availability. Over-contributions may cost you a penalty of 1% per month based on the highest excess TFSA amount in your account for each month in which an excess remains. You can use the formula above to calculate your contribution room. Keep in mind that your previous year's contribution or withdrawal might not be reflected in your current contribution room until after the end of February.

When does TFSA contribution room reset?

Each year, your TFSA annual contribution room is reset on January 1.

What if I can't contribute the maximum TFSA contribution room amount?

You can carry forward any unused contribution room into future years indefinitely. For 2025, you can contribute up to \$7,000 PLUS any unused contribution room from previous years.

What happens if I over-contribute to my TFSA?

If you contribute more than your contribution limit in the current year, you may be subject to a TFSA over contribution penalty tax of 1% per month, every month the excess amount stays in your account, based on the highest excess TFSA amount in that month. In the case of over-contribution, please consult with your tax advisor.

The full details on the contribution rules and implications of over-contributing to your TFSA can be found on the CRA website [here](#).

What are the rules for re-contribution to TFSA?

If you've withdrawn some of your TFSA contribution and would like to replace it in the same year, you can only do so if you have contribution room left. If you don't, it will lead to over-contribution to your TFSA and the subsequent penalties which include being subjected to a tax equal to 1% per month based on the highest excess TFSA amount for every month there's an excess.

To understand this better, consider this example. Taylor has been contributing the maximum TFSA dollar limit every year since 2009. They have no room left for 2023 at the end of the year. They contributed \$7,000 in 2024 as well (the TFSA dollar limit), but they withdraw \$2,500 later that year for a vacation. Due to the nature of their work, they had to cancel their plans. They decided to re-contribute the \$2,500 back into their TFSA but they can only do so at the beginning of 2025. If they do it before 2025, they will have over contributed for 2024 and will be subjected to the monthly penalty.

Can I contribute to my spouse's TFSA?

No, you can't contribute directly to your spouse's TFSA as you can with a spousal **RRSP**. However, you can give your spouse money, which they can then contribute to their own TFSA. Any income your spouse earns on the money in their TFSA is theirs and will not be attributed back to you.

TFSA withdrawal rules

Withdrawing funds from a TFSA is easy and tax-free, allowing you to access your money anytime without penalties.

How and when can I withdraw money from my TFSA?

You can withdraw funds from your TFSA any time you want¹ and you don't have to reach a certain age before you withdraw your money. Withdrawals made from your TFSA will be added back to your TFSA contribution room the following year. Your TD Personal Banker can help you make withdrawals from your TFSA.

What is the total amount I can withdraw from my TFSA?

There is no limit on how much you can withdraw from a TFSA. If you do withdraw funds from your TFSA, it doesn't reduce the total amount of contributions you've already made for that year.

For example, Taylor contributes the maximum TFSA dollar amount from 2012 all the way through to the end of 2022. In 2023, they contribute \$2,500 with a remainder of \$4,000 contribution room. In 2024, they didn't contribute anything but withdraws \$1,000 from their account. So, their contribution for 2025 will be:

Remainder room from 2023 (\$4,000) + Withdrawal amount in 2024 (\$1,000) + 2024 allotment (\$7,000) + current year's allotment (\$7,000) = \$19,000

More information can be found on the official CRA website [here](#).

Once I've withdrawn money from my TFSA, is that contribution room lost?

If you withdraw from your TFSA, you do not permanently lose your contribution room. You can recontribute amounts you have withdrawn in the following year or years and your contribution room carries forward indefinitely.

Do I have to pay income tax on my TFSA withdrawals in Canada?

No, you don't have to pay income tax on the amounts you withdraw. As TFSA withdrawals don't count as taxable income, they don't affect federal income-tested benefits or tax credits you may receive, including the Canada Child Benefit program, the Canada Workers Benefit, the Good and Services Tax / Harmonized Sales Tax (GST/HST) Credit, and the Age Credit.

TFSA withdrawals also won't reduce benefits based on your income levels, such as Old Age Security, the Guaranteed Income Supplement and Employment Insurance benefits. More information can be found on the CRA website [here](#).

What can I spend the money on?

Anything you want. You could wait until you retire and use it to supplement retirement income you may have from pensions, RRSPs or other sources. You can also use it for short-term savings goals like a new car or a vacation, or for needs that arise suddenly like repairs to your home.

How much can I save with a TFSA?

A TFSA means you won't be taxed on any of the growth or income earned within the account. This means your savings can grow even more. Want to know by how much? Use our TFSA Calculator to [calculate now](#).

How Can I Open a TFSA at TD?

See what types of TFSAs TD offers and start growing your money tax-free. [Get started](#).

For more information on how investing in a TFSA can help you reach your savings goals, [book an appointment](#) and visit a branch at a time that's convenient for you. A TD Financial Advisor can help you find out whether a TFSA can meet your savings and investment goals.

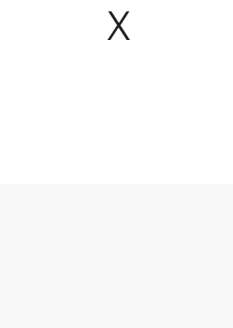
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TFSA Calculator

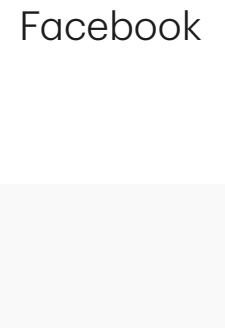
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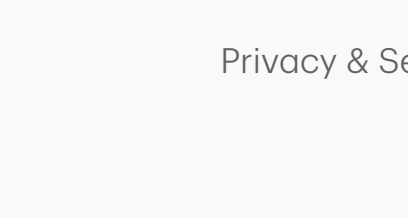
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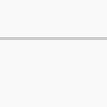
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