

RRSP, TFSA and RESP Comparison Table

DESCRIPTION	RRSP	TFSA	RESP
THE OBJECTIVE OF THE PLAN	Saving for your retirement.	Saving for both short and long term.	Saving for your children's post-secondary education.
DO YOU PAY ANY TAXES?	It is a tax-deductible investment. It is tax-deferred when withdrawals are made.	The amount is not tax-deductible. You do not save on taxes while investing the amount. The income earned is tax-free.	The amount is not tax-deductible, but the income earned is tax-deferred to the one who withdraws (student). The student gets taxed marginally on the income earned on the investment since they have little or no income.
TO WHOM DOES THE PLAN BENEFIT?	Ideally suited for individuals who have higher income now and will have lower taxable income after retirement.	Suited for individuals who fall in the lower income bracket now as opposed to later or for those who have maximized their RRSP contributions or would like to put money aside for a short- or long-term project.	Meant for savings for children to pay for higher education.
THE MINIMUM AGE	No minimum age to contribute.	The minimum age to contribute is 18.	No minimum age to contribute.
THE MAXIMUM AGE	The maximum contribution age is 71 for self or spouse if contributing towards a spousal plan.	There is no maximum contribution age limit.	Contributions to RESP can be made until 31 years after you first opened it. The plan can remain open for 35 years. However, the CESG is no longer provided after age 17.
ANY GOVERNMENT GRANTS?	Government grants are not available for this plan.	Government grants are not available for this plan.	The student can avail of government incentives and grants like the CESG till age 18.
HOW MUCH CAN YOU CONTRIBUTE?	For 2022, it is equal to 18% of your earned income from the previous year or \$29,210, whichever is lower. In 2023, it will be 18 percent of your previous year's earned income, or \$30,780 – whichever is lower.	In 2022, the annual limit is \$6,000 (\$6,500 in 2023). The limit carries over every year. That means, if you don't contribute the maximum amount, you have room to make it up in later years.	There is no limit to the number of investments under an individual's name. Also, there is no annual limit on how much you can put away. However, there is a lifetime contribution limit of \$50,000 per beneficiary and a limit of \$2500 grantable per year.