

TFSA Limit Increases to \$7,000 in 2024. What You Need to Know

The TFSA contribution limit increases every year, providing Canadians with more opportunities to save and invest. In 2024, the TFSA contribution limit has increased to \$7,000, up from \$6,500 in 2023.

The cumulative TFSA contribution room for someone who has never contributed to a TFSA and has been eligible since its inception in 2009 is now \$95,000. It is important to note that over-contributing to a TFSA can result in penalties, so it is essential to understand the eligibility and contribution rules before investing.

Key Takeaways

- The TFSA contribution limit for 2024 has increased to \$7,000, up from \$6,500 in 2023.
- The total TFSA contribution room for an individual who was at least 18 as of 2009 is now \$95,000.

TFSA Contribution Limit for 2024

The Tax-Free Savings Account (TFSA) contribution limit increases to \$7,000 in 2024, up from \$6,500 in 2023. This means that eligible individuals can contribute up to \$7,000 to their TFSA in 2024 without incurring any taxes on the investment income earned within their account.

TFSA contribution limit is cumulative, meaning that individuals who have never contributed to a TFSA and have been eligible for one since its inception in 2009 will have a cumulative contribution room of \$95,000 in 2024.

This is the TFSA annual limit over the years:

2009 – \$5,000
 2010 – \$5,000
 2011 – \$5,000
 2012 – \$5,000
 2013 – \$5,500
 2014 – \$5,500
 2015 – \$10,000
 2016 – \$5,500
 2017 – \$5,500
 2018 – \$5,500
 2019 – \$6,000
 2020 – \$6,000
 2021 – \$6,000
 2022 – \$6,000
 2023 – \$6,500
 2024 – \$7,000

Contributions to a TFSA are not tax-deductible, but investment income earned within the account is tax-free, including capital gains, dividends, and interest. This makes the TFSA an attractive option for Canadians looking to save for the future and minimize their tax liability.

