



SSC # 96 – TFSA DECUMULATION STRATEGIES FOR MIDDLE-INCOME RETIREES

This course is eligible for:

1.5 Life & A&S CE Credits for BC, SK, MB & ON.

1.5 Life ONLY CE Credits for AB.

Target Audience

This course is designed for licensed financial advisors and planners practicing in Canada who regularly serve middle-income clients nearing or in retirement. *The primary audience includes:*

- Advisors serving clients aged 60 to 80 who hold Tax-Free Savings Accounts (TFSAs) as a component of a broader retirement income portfolio
- Advisors whose client base includes individuals receiving or approaching eligibility for Old Age Security (OAS), the Guaranteed Income Supplement (GIS), and/or Canada Pension Plan (CPP) benefits
- Investment advisors and portfolio managers registered with the Canadian Investment Regulatory Organization (CIRO)
- Certified Financial Planners (CFPs) and Registered Financial Planners (RFPs) accredited through FP Canada
- Financial security advisors accredited through the Chambre de la sécurité financière (CSF) in Québec

Course Purpose: The Decumulation Planning Gap

Retirement income planning in Canada has long been dominated by the narrative of RRSP accumulation and RRIF decumulation. This is logical: the RRSP tax deduction is one of the most tangible and immediate tax benefits available to working Canadians, and the mandatory RRIF minimum withdrawal schedule creates an urgent and unavoidable planning challenge at age 71. As a result, advisor training, financial planning software, and regulatory guidance have disproportionately focused on RRSP/RRIF optimisation strategies — at the expense of a holistic, multi-account decumulation approach.

The emergence of the TFSA as a significant retirement savings vehicle has created a new and underexplored dimension of decumulation planning. For many middle-income retirees, the TFSA is not simply a supplement to RRIF income — it is a strategic lever capable of meaningfully reducing lifetime taxes paid, preserving federal income-tested benefits, supporting estate planning goals, and extending the financial security of late-stage retirement.

Yet surveys of Canadian financial advisors consistently suggest that TFSA withdrawal sequencing — the deliberate decision about *when, how much, and from which account* to draw in retirement — receives far less attention than the account's accumulation mechanics.

This course is designed to close that gap. By equipping advisors with a deep understanding of the TFSA's tax-neutral properties, its interaction with OAS, GIS, the age amount, and the pension income credit, and its role in both spousal planning and estate preservation, this course empowers advisors to deliver meaningfully better retirement income outcomes for their middle-income clients.

4. Learning Objectives

Upon successful completion of this course, the financial advisor will be able to:

- **Articulate the core TFSA rules** relevant to decumulation, including cumulative contribution room, re-contribution timing, successor holder vs. beneficiary designations, and over-contribution penalties under the *Income Tax Act*.
- **Explain the tax-neutral advantage** of TFSA withdrawals in retirement and identify how TFSA income exclusions interact with the OAS clawback threshold, GIS eligibility, the age amount (line 30100), and the pension income credit (line 31400).
- **Design and apply withdrawal sequencing strategies** for middle-income retirees, including RRIF-first, TFSA-first, and blended approaches, tailored to the client's income profile and benefit entitlements.
- **Recommend appropriate asset location strategies** within the TFSA during the decumulation phase, including the use of the TFSA as a longevity reserve and the optimisation of growth vs. income-producing assets across registered, non-registered, and TFSA accounts.
- **Apply spousal and estate planning considerations** to TFSA decumulation, including the strategic use of successor holder designations, estate equalization, and coordinated household income planning for couples.
- **Integrate TFSA planning into a compliant advisor workflow** that satisfies Know Your Client (KYC) and suitability obligations under CIRO rules and FP Canada's financial planning standards, including appropriate documentation and referral to tax professionals when warranted.