

[Your Name]
[Your Address]
[City, Province, Postal Code]
[Email Address]
[Phone Number]
[Date]

[Recipient's Name]
[Recipient's Address]
[City, Province, Postal Code]

Dear [Recipient's Name],

Subject: Guidance on TFSA Contributions

I hope this letter finds you in good health and spirits. I am writing to provide you with guidance on your Tax-Free Savings Account (TFSA) contributions for the current tax year.

1. ****Contribution Limits****: The annual contribution limit for the TFSA is [\$XX,XXX]. Please ensure that your total contributions do not exceed this limit to avoid any penalties.

2. ****Carry-Forward Contributions****: If you have unused contribution room from previous years, you can carry this amount forward. Please check your contribution history to see if you have any available room.

3. ****Eligible Investments****: Remember that you can hold a variety of investments in your TFSA, including stocks, bonds, mutual funds, and GICs. Choose investments that align with your financial goals.

4. ****Withdrawals****: Any amount withdrawn from your TFSA will be added back to your contribution room in the following year. This feature can be beneficial for managing your savings.

5. ****Tracking Contributions****: It's essential to keep track of your contributions, as the Canada Revenue Agency (CRA) monitors these closely. You may want to keep your own records or check your My Account on the CRA website for up-to-date information.

6. ****Tax Implications****: Remember that any income earned within your TFSA is tax-free, making it an excellent vehicle for long-term savings.

If you have any questions regarding your TFSA contributions or require further assistance, please feel free to reach out to me.

Sincerely,

[Your Name]
[Your Title/Position, if applicable]
[Your Organization, if applicable]
[Contact Information]