

**ATB**

# Little book of TFSA info

(Or, your ATB Financial  
Tax-Free Savings Account  
terms and conditions)

[Read the quick version on page 1 >](#)

**This booklet contains all the interesting terms and conditions that relate to your ATB Financial Tax-Free Savings Account (TFSA).**

We've tried to cover just about everything you should need to know, but if you still have questions, drop by an ATB branch or give us a call at **1-800-332-8383**.

## The quick version

1. We keep any and all personal information private and confidential. Any personal information we collect about you is subject to our Privacy Statement and Privacy Code, which are designed to protect your personal information under privacy laws, including Alberta's *Personal Information Protection Act*. For more info on why we collect your personal information, how we use and protect it, the situations where we may share it and how you can request access to your own personal information, check out our Privacy Statement. You can pick up a copy at any branch or on [atb.com](http://atb.com)
2. You are responsible for ensuring that contributions made to your TFSA don't exceed the maximum permitted under the *Income Tax Act*. This means you need to know your limits!
3. There are lots of ways to connect with us including online banking, using our mobile app, calling our Client Care Centre at **1-800-332-8383** or coming in to one of our branches.
4. You can choose between paperless and paper statements—whatever makes sense for you.
5. You—and only you—can make contributions to this TFSA. That means no one else can make contributions for you (although it's awesome that they'd want to). We will set up a Tax-Free Saver Account for you when we set up the TFSA, and all contributions will be placed into that account. From this savings account, you can move your money into various other options. (See the section entitled Contributions for more details.)
6. No one likes to talk about death including us. But no matter how hard it is to think about, it's important that you set things up correctly, so the people you care about don't have to worry about it once you're gone. Take a minute to read through sections entitled Beneficiary and Successor Designation and Death.
7. If you need to change your address, send us a written notice, visit your ATB branch, update your details in online banking or call our Client Care Centre at **1-800-332-8383**.

# Contents

## Legal definitions

4 Legal definitions

## Tax requirements

5 Registration

5 Your Responsibilities

## Moving and Managing Your Money

5 Contributions

5 Interest

5 Withdrawals

6 Transfers

6 Instructions

6 Statements and receipts

## Who gets your TFSA if something happens to you?

7 Beneficiary and successor designation

7 Death

8 Who can benefit under this Plan

## The really, really legal stuff

8 Fees

8 Unclaimed property

8 Privacy

8 Notices

8 Headings

9 Amendments

9 Account closing

9 Law that applies

10 Severability

10 Indemnity

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## Legal definitions

Before we get too far into things, here are the definitions you'll need to know:

The **Act** means the *Income Tax Act* (Canada).

**GIC** or Guaranteed Income Certificate is each deposit that you have with us that pays a specified rate (or rates) of interest over a specific term.

**Spouse** means your spouse or common law partner (as applicable), as those terms are defined in the Act.

**TFSA** means an account that you have requested we open and register for you as a tax-free savings account, subject to these terms and conditions, which is referred to as a "qualifying arrangement" in the Act.

**Tax Legislation** means the Act as well as any provincial tax legislation that applies to retirement savings plans.

**Withdraw** or **Withdrawal** means a payment out of the TFSA in satisfaction of all or part of your interest in the TFSA, which is referred to as a "distribution" in the Act.

**We, our, and us** mean ATB Financial.

**You / your** means the individual that is named as the holder of the TFSA, as indicated in our records.

## Tax requirements

Just because it's called a "tax-free" savings account doesn't mean there isn't tax-related information you need to know.

### Registration

We will apply for registration of the TFSA (if we have not already done so) as required under the Act.

### Your Responsibilities

**a.** You need to ensure that any transfers to your TFSA are permitted by the Act and that contributions made to your TFSA don't exceed the maximum permitted under the Act. This means you need to know how much you can contribute. Any month you have over-contributed, you will have an "excess TFSA

amount" for that month and you may be subject to tax on that amount.

- b.** If you become responsible for paying taxes, interest, penalties or charges under the Act (or any other tax law) in respect to your TFSA (because you have an "excess TFSA amount" or for any other reason), ATB may use the assets in your TFSA to pay the amount you owe. We will not be responsible for any loss you may suffer as a result.
- c.** You also agree to notify us immediately if you are no longer a resident of Canada.

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## Moving and Managing Your Money

### Contributions

You—and only you—can make contributions to the TFSA and decisions about investing those contributions. Nobody else can do this for you. When we set up the TFSA, we will set up a daily interest savings account for you called a Tax-Free Saver Account, and all contributions will be placed into that account. From the Tax-Free Saver Account, you can select to deposit money into various GIC options (you'll receive a GIC certificate confirming the details and options you selected) or other accounts that we may make available for you.

We want to help you get the most from your TFSA, so we're happy to sit down with you and explain your options (some options have minimum contribution requirements).

### Interest

In the Tax-Free Saver Account, interest will be calculated daily and paid monthly. The rate of interest that we pay may fluctuate and we don't provide notice of changes. The current rate is

always available online at [atb.com/rates](https://atb.com/rates) and will be provided to you on your statement. The GIC that you select will pay interest and interest will be calculated and paid as indicated in the GIC certificate.

### Withdrawals

- a.** You (and no one else) can Withdraw money from your TFSA at any time, and you are the only person with any rights relating to the amount or timing of these Withdrawals. The only exception to this is that we may make a Withdrawal from your TFSA in accordance with these terms and conditions if you owe us or the government any taxes, interest, penalties, charges or other fees of any kind.
- b.** If you suddenly realize that you have over-contributed, you can withdraw money from this TFSA in order to reduce the tax payable under Part X.1 of the Act. You will still have to contact Canada Revenue Agency after the withdrawal to pay any tax owing. Make sure you contact them

before they contact you! Please note however that if you would like to withdraw TFSA funds in order to correct an overcontribution from in a GIC that's not redeemable, such withdrawals will, if permitted by ATB Financial, be subject to early redemption fees. We'll let you know what these early redemption fees are before you confirm that you want to redeem the funds. Interest may also be paid which interest will be reported to the Canada Revenue Agency as required.

### Transfers

You can transfer money from your TFSA to another tax-free savings account that belongs to you at another financial institution. However such transfers may still be subject to the terms and conditions applicable to non-redeemable GICs in the Section below entitled "Account Closing and Early Redemption". After this transfer is complete, ATB will be free from any further liability with respect to your TFSA.

### Instructions

There are a number of ways you can give us instructions on your TFSA, including coming into a branch, calling our Client Care Centre at **1-800-332-8383**, or through online banking. In some cases we will accept instructions by email or fax, but please note that email and fax aren't secure and we can't guarantee when we'll read the communication.

We will act on any instructions that we think are from you, but we may decline or refuse any instructions—even if they appear to be from you—if we think they're improper, unlawful or fraudulent, or that there is a mistake. It's part of our commitment to keep you and your money safe.

**You need to know this:** we will not be responsible for any loss you may incur because we acted on instructions that we thought were genuine or because we didn't act on instructions that we thought were improper, unlawful, fraudulent or mistaken.

### Statements and receipts

Here's the low-down on how we'll get your information to you, so you know what to watch for and where to watch for it. We'll send you a statement about your TFSA every three months ("quarterly"). You can choose electronic or paper delivery.

**Paperless statements:** You like trees. We like trees. So why not consider saving a tree by going paperless? If that's how you choose to receive your quarterly statements, then you're agreeing to receive and review your statements electronically through online banking. We will continue to send your tax receipts annually by mail, and we may still send you a paper statement or notice on occasion (if we think there's something important you should receive in writing).

**Paper statements:** If you prefer to receive paper statements, no problem! We will send tax receipts annually and statements quarterly, so you always have mail to look forward to.

No matter how you choose to receive your TFSA transaction and balance information, it's your responsibility to review the activity in your TFSA. You agree to do this review within 60 days of the date of your quarterly statement. We want to make sure everything is accurate and that your TFSA is working the way you want it to, so write it in your calendar and make a date with your statement!

If you find an error or if an item is missing, get in touch with us as soon as possible so we can check into it. Seriously. Don't put it off. You must notify us within 60 days of the statement date if you want to dispute any transaction or item that was posted or missed from your TFSA. If you don't notify us within that time period, then you are agreeing that your TFSA transactions and balances are conclusively accurate, regardless of whether you actually received your statement or otherwise reviewed the activity in your TFSA. We may debit your TFSA for any amount that was credited in error.

**Long story short:** it's worth your time to make sure you take a look at your statements.

Okay, now let's go over your beneficiary and successor information. In other words...

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## Who gets your TFSA if something happens to you?

### Beneficiary and successor designation

You can designate one or more people (referred to in the Act as “beneficiaries”) to receive the proceeds of the TFSA on your death (as long as you live somewhere that permits you to do so—like Alberta!). These are people you like or loved ones you feel obligated to take care of. We'll ask you to complete and give us a document that sets out whom you wish to designate. You can change the beneficiaries that are noted in our records, but you need to do this in writing on our forms and you must provide those forms to us. You can also change the beneficiaries by properly naming those people as beneficiaries of the TFSA in your will. (For that, we recommend you visit a lawyer.)

You agree that we can use our records to determine who to pay the TFSA proceeds to after your death. So if you make life changes (eg, get married, get divorced, have kids, move to a different province) and want to make sure someone specific gets (or doesn't get) your TFSA money, take the time to update your forms with us or in your will!

If you designate your Spouse, and this person is still your Spouse immediately before your death, then you agree that your Spouse will become the successor holder to your TFSA on your death, with all of the rights and responsibilities that you had under the TFSA.

### Death

It's not fun to talk about, but really important to think about—and make plans for. Read through the following information and make sure you understand what to do, so the people who are grieving you know exactly what to do about your TFSA.

**Here's what you need to know:** If you die, the first thing we'll need is written proof of your death from your estate representative. We may require additional documents such as letters probate or your will, but don't worry, we'll let your estate representative know. If we have a beneficiary designation in our records, then we'll pay the TFSA proceeds accordingly. If the designation is to your Spouse, and this person is still your Spouse immediately before your death, then we will transfer the TFSA to your spouse, as the successor holder of the TFSA. If there is no beneficiary designation, then we'll pay the TFSA proceeds to your estate representative. Of course, we'll take care of deducting and remitting any withholdings or taxes that we are required to under the Tax Legislation.

Secondly, if any of your TFSA funds are in a GIC that's not redeemable, then if we're asked by your estate representative to do so, we'll redeem the whole GIC and pay the estate or the designated beneficiary as applicable. We may charge early redemption fees but will let your estate representative know the amount of these fees (if any) when they ask to withdraw the funds at which time they can confirm if they still wish to withdraw the funds. Interest may also be paid if the funds are withdrawn which will be reported to the Canada Revenue Agency as required.

Once we have made the payment to your designated beneficiary or estate, ATB will be considered free from any further liability with respect to your TFSA.

### Who can benefit under this Plan

This TFSA will be maintained for your exclusive benefit. Even though you may have designated a beneficiary who will benefit from your TFSA if you die, they will have no rights or obligations relating

to your TFSA until they become your successor holder after your death.

**Almost done! This last section of the terms and conditions covers the really, really legal stuff.**

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## The really, really legal stuff

### Fees

We love our clients and hate to see anyone leave ATB. So if you're unhappy with your TFSA or how it's performing, talk to us first to see if there are other options we can offer you. We really want you to be happy, and you have a lot of choices! If you decide you still want to take your TFSA somewhere else, we charge a fee to transfer your TFSA funds to another financial institution— just to cover our costs in arranging the transfer. You can find our current fees for transfers and other transactions at [atb.com](http://atb.com) or in any branch.

### Unclaimed property

Your TFSA is subject to unclaimed property legislation, which means if you don't make any transactions or indicate your plans for your money at least every five years, then the money in your TFSA may be deemed abandoned. If it's deemed abandoned, we may be required to pay the money over to the Province of Alberta. Prior to paying the funds to the Province, we'll let you know what will happen with the money if you don't claim it, giving you time to indicate your plans. If we don't hear from you, then you may still be able to reclaim your money from the Province of Alberta, but we aren't able to do it for you.

### Privacy

The information that we collect about you is used and disclosed in accordance with the document entitled Personal Information: Collection, Use and Disclosure Statement (the "Privacy Statement"). You will have received a copy of that document from us when the TFSA was opened. It's a

fascinating read ( just like this). If you can't find it, or really want to read it again, you can find the most current version at any branch or on [atb.com](http://atb.com)

Once you've taken a look at the privacy statement, if you have any questions or concerns about the personal information that is collected and retained by ATB, you can call us at 1-866-858-4175 and we'll be happy to chat about it. Or write to our privacy officer at 2100, 10020-100 Street (Transit #115) Edmonton, Alberta T5J 0N3. They love getting mail!

### Notices

Any notices that we are going to send you by mail will be addressed to you and sent to the mailing address that we have in our records. If you need to change your address or update your personal information, you can send us a written notice, update it through online banking, visit your ATB branch or call our Client Care Centre at **1-800-332-8383**.

In other words, you need to let us know if you move. Seriously. We need to know where you're at and how to get your important information to you, so you can stay up-to-date with how your TFSA is doing. If you're moving, add us to the list of people who need to know where you're going.

### Headings

We have inserted headings into these terms and conditions as a reference and for your convenience. They are not part of these terms and conditions.



## Amendments

We can change any of the terms of this TFSA at any time, with or without providing notice to you. However, none of these changes will take effect if the change would not be permitted under the Tax Legislation. We need to play by the rules.

## Account closing

- a. If your TFSA has a zero balance and there's been no activity on it for three months, the account will automatically close. So if you leave it sitting empty for a couple of years, don't be surprised when you find out it's closed.
- b. You may choose to close your TFSA at any time by notifying us in writing that you want to close it. If you want to withdraw money from your TFSA or transfer your TFSA to another financial institution, the sections above dealing with Withdrawals, transfers and fees apply.
- c. We may decide to close your TFSA at any time, but if we do, we'll give you advance written notice. If this happens, you will need to tell us where to transfer the assets in your TFSA. Don't worry, we'll take care of the administration and deliver the assets and any necessary records to another financial institution free of charge and take steps to ensure the continued and uninterrupted operation of the TFSA. If you forget to tell us, or choose a successor who is not acceptable to us, we'll be permitted to transfer the assets in their present form to you as a Withdrawal from your TFSA. After we've closed your TFSA and transferred your property and any information, we'll be considered free from any further liability or responsibility with respect to this TFSA.
- d. If any of your TFSA funds are in a GIC that's not redeemable, we may, in certain circumstances allow you to redeem your funds before your GIC's maturity date. If that happens, interest may be paid which interest will be reported to the Canada Revenue Agency as required. We will also charge an interest rate penalty fee and an administration fee. We'll let you know what the

interest rate penalty fee and administration fees are before you confirm that you want to redeem the funds. In addition to ATB Financial charging the above noted interest rate penalty fee and administration fee, if ATB Financial agrees to an early redemption for a Linked deposit, you may not be entitled to the full Principal Amount deposited as the market value of the deposit fluctuates prior to the Date of Maturity.

- e. If any of your TFSA funds are in a GIC that is redeemable then the Principal Amount deposited may be redeemed from this deposit in whole at any time provided that:
  - i. If the original term is less than one (1) year, then ATB Financial reserves the right to require up to ten (10) days notice of redemption;
  - ii. If the original term is for one (1) year or greater, then ATB Financial reserves the right to require up to thirty (30) days notice of redemption; and
  - iii. If redeemed in less than thirty (30) days from the Date of Deposit indicated above, then no interest will be paid and if redeemed after thirty (30) days from the Date of Deposit but prior to the Date of Maturity, then simple interest will be paid calculated at ATB Financial's then applicable early redemption rate.

A portion of the principal amount may be withdrawn at any time provided: (a) the specific product type allows for partial redemptions; and (b) the principal amount invested remains greater than or equal to the minimum investment amount. Partial redemptions will also be subject to conditions (i) through (iii) above.

## Law that applies

These terms and conditions are governed by the laws of the Province of Alberta and the laws of Canada that apply in Alberta, and you agree to submit to the jurisdiction of the courts of the Province of Alberta.

### **Severability**

If a Court determines that any section or sections of these terms and conditions are not enforceable, we will treat that section or sections as if they weren't in the terms and conditions, and the rest of the terms and conditions will remain in effect and unaffected by the removal of the unenforceable sections. (Yeah, we had to read that twice, too.)

### **Indemnity**

At the risk of sounding like a broken record, we need to say this one last time: ATB is not liable for any taxes, interest, penalties or charges imposed on us in respect to your TFSA. We may pay any such taxes, interest, penalties or charges out of the assets of the TFSA, or we may pay them for you and then reimburse ourselves out of the assets of the TFSA. If we can't do either of those things, then as long as we abide by these terms and conditions and the Tax Legislation, you agree to pay us for any such amounts.

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**Congrats! You made it all the way to the end. We hope it was as fun to read as it was to write.**

**As always, if you have any questions about this document, your accounts or anything else, please stop by any ATB branch or give us a call at 1-800-332-8383.**