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The skinny on fees for tax-sheltered accounts

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Rob Carrick's ideas for managing your investments

Fees and commissions are such a drag for investors, especially at times like these on the stock markets.

The more you pay in fees to buy and sell stocks and mutual funds, the bigger the drag on returns in your registered retirement savings plan and Tax-Free Savings Account. That's why being fee-conscious is a basic survival technique at a time when your investments are struggling.

To that end, this week's Portfolio Strategy presents the definitive guide to fees and commissions charged by online brokers for their self-directed RRSP and TFSA accounts. A total of 13 brokers were surveyed on their annual administration fees, small account and inactivity fees, minimum stock-trading commissions and charges for buying mutual funds.

The survey covers online transactions only because trading over the Internet is far more cost effective than phoning a firm's representative. Two separate commissions are quoted for trading stocks at each firm - one is the minimum for clients who have smaller accounts and the other is for active traders or those with assets at their firm exceeding \$50,000 to \$100,000.

One final note concerns E*Trade Canada and TradeFreedom, both of which are owned by Bank of Nova Scotia. Scotiabank will start combining these two operations with its own ScotiaMcLeod Direct Investing in March.

The Ultimate Online Brokerage RRSP/TFSA Cost Comparison

Here's a comparison of key fees and commissions charged by 13 online brokerages for self-directed registered retirement savings plans and Tax-Free Savings Accounts. Online transactions only.

Broker	Annual Admin Fee for Small Accounts	Minimum Account Size	Inactivity Fees	Withdrawal Fees	Minimum Stock-Trading Commission for Smaller Accounts	Stock-Trading Comms for Large or Active Accounts	Fees to Buy or Sell Mutual Funds
BMO InvestorLine (bmoinvestorline.com)							
RRSPs	\$100	\$5,000	none	\$50	\$29	\$9.95	none/\$35
TFSA's	\$50	none	none	none			

~RRSP admin fees waived for accounts of \$15,000 or more, TFSA admin fees are waived when your assets at InvestorLine hit

\$100,000 or more; no TFSA or RRSP fees in calendar year account is opened

~many funds sold without fees, others with a \$35 charge to buy, sell or switch

CIBC Investor's Edge (investorsedge.cibc.com)

RRSPs			\$100	none	none	\$50	\$28.95	\$7.90	none
TFSA's			n/a						

~no self-directed TFSA accounts as of yet

~RRSP admin fee waived for accounts of \$25,000 or more

~FundPlus RRSP accounts (funds and bonds or GICS only) cost \$25 per year to \$25,000

~the minimum stock trading commission applies if you prepay \$395 per year for 50 trades

Credential Direct (credentialdirect.com)

RRSPs			\$50	none	none	\$50	\$19	\$9.95	none
TFSA's			none	none	none	none			

~RRSP admin fee waived for accounts of \$15,000 or more

Disnat (disnat.com)

RRSPs	\$75	\$1,000	none	\$25	\$29	\$9.95	none for most funds
TFSA's	none	none	\$12.50/q	none			

~RRSP admin fees waived for accounts of \$15,000 or more

~TFSA inactivity fees waived if you have an RRSP account with Disnat, if you made one trade in the previous 12 months or if you have assets of \$15,000 or more at Disnat

E*Trade Canada (canada.etrade.com)

RRSPs				none	none	none	\$25	\$19.99	\$9.99	none
TFSA's				none	none	none	none			

-\$9.99 commissions kick in for accounts of \$50,000 or more

HSBC InvestDirect (investdirect.hsbc.ca)

RRSPs				\$50	none	none	\$75	\$29	\$9.98	none
TFSA's				none	none	none	none			

-RRSP admin fees waived for accounts of \$15,000 or more

National Bank Direct Brokerage (nbdb.ca)

RRSPs				\$75	none	none	\$25	\$28.95	\$9.95	none
TFSA's				none	none	\$80	none			

-RRSP admin fee waived for accounts of \$25,000 or more

-TFSA inactivity fees are cancelled if you have an RRSP with the firm, if you make two trades over a 12-month period or if you use National Bank products exclusively

Broker	Annual Admin Fee for Small Accounts	Minimum Account Size	Inactivity Fees	Withdrawal Fees		Minimum Stock-Trading Commission for Smaller Accounts	Stock-Trading Comms for Large or Active Accounts	Fees to Buy or Sell Mutual Funds	
Qtrade (qtrade.ca)									
RRSPs			\$50	\$1,000	none	\$50	\$19	\$9.95	none
TFSA's			none	\$1,000	none	none			

-RRSP admin fee waived for accounts of \$15,000 or more

Questrade (questrade.com)

RRSPs			none	\$1,000	none	none	\$4.95	\$4.95	\$9.95
TFSA's			none	\$1,000	none	none			

RBC Direct Investing (rbcdirectinvesting.com)

RRSPs					\$75	none	none	\$50	\$28.95	\$9.95	none
TFSA's					none	none	none	none			

-RRSP admin fee waived for accounts of \$25,000 or more

ScotiaMcLeod Direct Investing (soctiamcleoddirect.com)

RRSPs						\$100	none	none	\$25	\$28.95	\$14.95	none
TFSA's						none	none	none	none			

-RRSP admin fee waived for accounts of \$25,000 or more

TD Waterhouse (tdwaterhouse.ca)

RRSPs			\$100	none	none	one free/yr	\$29	\$9.99	none/\$33.75
TFSA's			\$50	none	none	one free/yr			

-RRSP admin fee waived for accounts of \$25,000 or more

-Basic RRSP (funds and bonds, GICs) costs \$25 per year to \$25,000

-TFSA annual admin fees waived if you have \$100,000 in assets with TDW, if you sign up for electronic account statements

-many funds sold without fees, others with a \$33.75 charge to buy, sell or switch

TradeFreedom (tradefreedom.com)

RRSPs			none	\$1,000	none	\$25	\$9.95	\$9.95	\$37.95
TFSA's			none	\$1,000	none	\$25			

-funds must be purchased by phone

-account minimums do not apply to existing clients

*Large accounts defined as having at least \$100,000 in assets with a firm in most cases; even lower commissions may be available to hyper-active traders.

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