MACKENZIE Investments

RRSP at a glance

A Registered Retirement Savings Plan (RRSP) is a government-registered account that helps Canadians save for retirement with tax-deductible contributions and tax-deferred growth.

Eligibility

Any Canadian resident who earns income and files a tax return can contribute to an RRSP until December 31 of the year they turn 71.

Contributions

- Contributions are tax-deductible, reducing your taxable income.
- Annual contribution limit: 18% of earned income (up to a government-set maximum), plus unused room carried forward.
- Deadline to contribute: 60 days after the year end.
- Overcontributions above $2,000 may be subject to a 1% monthly penalty.
- Unused contribution room from 1991 and onwards can be carried forward.
- Your current contribution room is shown on your Notice of Assessment from Canada Revenue Agency (CRA).

Withdrawals

- Funds can be withdrawn at any time but are subject to withholding tax.
- Withdrawals are taxed as income in the year received.
- RRSPs must be converted to a RRIF or annuity by age 71.

Benefits of the RRSP

- Reduces taxable income through deductible contributions.
- Investments grow tax-free until withdrawn.
- Supports long-term retirement savings.
- Lower income in retirement may result in lower taxes when the funds are withdrawn.

Special programs

Home Buyers' Plan (HBP)

You can withdraw up to $60,000 tax-free from your RRSP to buy a first home (must be repaid within 15 years).*

Lifelong Learning Plan (LLP)

You can withdraw up to $20,000 tax-free from your RRSP, with maximum of $10,000 per year, to finance education (must be repaid within 10 years).*

Investment options

An RRSP can hold a variety of investments, including stocks, bonds, mutual funds and ETFs.

Contact your financial advisor to learn more about an RRSP or to open an account.

*Any amount not repaid as scheduled will be added to your taxable income for the year.

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