

What is a RRIF?



You can convert your RRSP (or a portion of it) into a RRIF at any age you wish, you don't have to wait until the year you turn 71. But keep in mind that RRIF is for withdrawals only, you can't make new contributions to the account.

After opening a RRIF, you are required to withdraw an annual minimum payment (AMP), except for the first year of opening the RRIF account. There is no maximum withdrawal limit.

You can hold multiple RRIFs, but you will still need to withdraw the AMP from each RRIF. The amount withdrawn from your RRIF is reported as taxable income in the year that you withdraw it.

By December 31 of the year you turn 71, the funds from your Registered Retirement Savings Plan (RRSP) must be either withdrawn as taxable income in one lump sum or converted into a form of retirement income. The most common way to proceed is to transfer the RRSP assets into a Registered Retirement Income Fund (RRIF).

A RRIF offers you the flexibility to make withdrawals on a schedule that suits you while continuing to enjoy the benefits of tax-deferred income and capital gains.

If you are converting a Spousal RRSP to a RRIF, it will be a Spousal RRIF. Withdrawals are made by the annuitant (owner) of the plan, not the spouse who contributed to the RRSP. If you've contributed to a spousal RRSP in the same year, or in either of the two preceding taxation years of a RRIF withdrawal, you will be taxed on the withdrawal, not your spouse. This rule doesn't apply in the event of divorce.

Ask Your Research Capital Corporation Investment Advisor about a RRIF today!

Minimum Withdrawal Schedule

The minimum withdrawal required by the Income Tax Act is calculated at the beginning of every calendar year for different ages. The tables below show the RRIF minimum payout percentages for different ages.

Age at the start of the calendar year	Minimum payout percentage	Age at the start of the calendar year	Minimum payout percentage	Age at the start of the calendar year	Minimum payout percentage
65	4.00%	76	5.98%	87	9.55%
66	4.17%	77	6.17%	88	10.21%
67	4.35%	78	6.36%	89	10.99%
68	4.55%	79	6.58%	90	11.92%
69	4.76%	80	6.82%	91	13.06%
70	5.00%	81	7.08%	92	14.49%
71	5.28%	82	7.38%	93	16.34%
72	5.40%	83	7.71%	94	18.79%
73	5.53%	84	8.08%	95 and older	20%
74	5.67%	85	8.51%		a W
75	5.82%	86	8.99%	Withdraw	A

Additional Facts



- If you have a spouse or common-law partner who is **younger than you** and you want to minimize withdrawal amounts (and thus income taxes payable on them), you can use your spouse's age instead of yours to calculate your minimum requirement.
- You can take out more than your minimum requirement, but your financial institution will apply and remit to the CRA a withholding tax on cash amounts or inkind withdrawals that exceed your annual minimum requirement.
- If the annuitant withdraws more than the minimum amount in the Spousal RRIF, the excess will be included in the contributing spouse's income and subject to tax.
- To reduce your household's total tax bill, if one spouse is in a lower tax bracket, you
 and your spouse may decide to split your RRIF income. The individual transferring
 income is required to be 65 or older and can allocate up to 50 per cent of their RRIF
 income to their spouse. Both must be Canadian residents.
- You can name your spouse or common-law partner as Successor Annuitant to your RRIF, so that in the event of your death the RRIF is transferred with no income tax consequences.
- On death, the value remaining in your RRIF will be included in income on your final tax return, unless the named beneficiaries of your RRIF are financially dependent children or grandchildren or your spouse as successor annuitant.

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