

Planning Your Retirement Income



Personal Retirement Plans

- An RRSP is an investment vehicle that allows you to shelter your savings from income tax
- Not a specific investment, but a way to register a variety of investments to shelter funds
- Eligible investments include guaranteed funds, mutual funds, life insurance, and life annuity products

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Registered Retirement Savings Plans include:

- **Types of RRSPs**
 - Regular
 - Self-directed
 - can invest in all categories
 - Spousal
 - spouse is named as beneficiary
- **Contribution Limits**
 - 18% of earned income to a maximum amount
 - Maximum amount to increase in years to come
 - \$26,230 by 2017
 - reduced by RPP contributions
 - can 'carry forward' unused room to later years

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Options when you deregister RRSP include:

- Full withdrawal
 - required to pay income tax
- Annuity
 - an investment that pays a fixed level of income on a regular basis for either a specified period of time or until death

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RRSP Withdrawal	Withholding Taxes
\$0-\$5,000	10%
\$5,001-\$15,000	20%
\$15,000 +	30%

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- Tax free savings accounts (TFSA)
 - Introduced in 2009
 - Must be 18 or older
 - Must have a valid social insurance number
 - Contributions are not tax deductible
 - Plan grows tax free
 - No tax upon withdrawal

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- Tax free savings accounts (TFSA) limits

Years	Amount per Year
2009–2012	\$5,000
2013–2014	\$5,500
2015	\$10,000
2016–2017	\$5,500
Future limits will be indexed to inflation and rounded to the nearest \$500	