RRSP Retirement Withdrawal Checklist

Leaving your RRSP untouched only postpones the tax bill.

Bliss Financial Consulting Inc

How to use it: if you are over 50 and have built up savings in your RRSP, tick each item. Anything left unticked is what to sort out before you retire.

1 How large is your RRSP?

- [ ] Know that RRSP and RRIF withdrawals are fully taxable
- [ ] If you are over 50 with more than $300,000 in RRSPs, you have started planning how to withdraw it
- [ ] Know your RRSP must become a RRIF by the end of the year you turn 71, with minimum withdrawals every year after

2 Withdrawal order

Let tax decide the order.

- [ ] If your RRSP is large, plan to withdraw it gradually in the early, lower-income years of retirement
- [ ] Use non-registered accounts to fill the cash needs in between
- [ ] TFSA withdrawals don’t count as income; keep them for last
- [ ] Run your numbers with the Planned RRSP Drawdown calculator on our website

3 Will your OAS be clawed back?

The form your income takes matters more than how much you have.

- [ ] Estimated whether your retirement income will exceed the OAS clawback threshold
- [ ] Know every dollar of GIC interest is fully taxable, even if you don’t withdraw it
- [ ] Checked last year’s tax return to see how much of your income was interest

4 Unused RRSP room

The deduction people most often miss before 71.

- [ ] Checked your remaining RRSP room in CRA My Account or on your Notice of Assessment
- [ ] Know contributions must be made by December 31 of the year you turn 71; the deduction can be carried forward and used in later years

5 Not just the RRSP

- [ ] Thought about where your retirement cash flow will come from and how to combine sources, rather than drawing it all from your RRSP
- [ ] Know that when you withdraw from non-registered investments, the principal is not taxed and only half of the gain is taxable

6 Plan as a couple

- [ ] Used a spousal RRSP while working to even out retirement income
- [ ] Split pension income and share CPP after 65

The key years: The years from 65 to 71 are often the key time to draw down an RRSP gradually. The earlier you plan, the more stays with your family.

Can’t tick a box? Scan to add us on WeChat and send us your question.

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