

Information Sheet
Registered Retirement Savings Plans (RRSP's)

CONTRIBUTION DEADLINE

The deadline for contributing to your 2011 RRSP is February 29, 2012.

CONTRIBUTION LIMITS

The basic overall 2011 limitation for individuals (regardless of whether or not they are members of a pension plan) is the lesser of \$22,450 and 18% of earned income (based on 2010 income). The contribution limit is reported on your latest notice of assessment or notice of reassessment. Your contribution limit can be confirmed by calling Canada Revenue Agency's T.I.P.S. service at 1 (800) 267-6999. You will be asked for your SIN, month and year of birth and your net income from line 150 of your 2010 return. In addition, information on your RRSP can be obtained through the internet at [My Account](#).

For members of company pension plans, the limitation will be reduced by the "*pension adjustment*" as calculated by their employer and reported on their T4. The pension adjustment represents the value of pension benefits accruing to the employee for the year, as well as any past service pension adjustments.

Future years' contribution limits have been established as follows:

2011	\$ 22,450
2012	\$ 22,970
2013	\$ 23,820

AGE LIMIT

The year you turn 71 is the last year you can make a contribution to your RRSP. If you contribute to a spousal RRSP, your spouse must be 71 or younger on December 31 of the year you make the contribution.

SPOUSAL RRSP'S

A spousal RRSP names your spouse as the annuitant of a plan to which you have made a contribution and taken a deduction.

- This is effective as an income splitting vehicle in retirement years
- Spousal contributions are subject to the same contribution limits as those of your own plan
- Attribution of income will occur if funds are withdrawn from any spousal RRSP within the calendar year that the contributions were paid or either of the two following years

HOME BUYERS' PLAN

- See separate link

CONVERSION

- An RRSP must be converted to a Registered Retirement Income Fund (RRIF) by the end of the year in which you turn 71
- RRIF owners are required to withdraw a minimum amount each year, starting the year after the RRIF is established. To obtain the amount which has to be withdrawn, please contact us at 905-898-4900

MISCELLANEOUS

- Over-contributions in excess of \$2,000 are subject to a 1% per month penalty
- Contributions early in the year maximize tax-free earnings in the plan
- Late contributions minimize the time lag between cash outflow and potential tax refunds

RRSP DECISIONS

- Is it better to invest in RRSPs or in a non-registered account?
- Are you better off to pay down your mortgage, or contribute to an RRSP?
- Should you borrow to contribute to an RRSP?
- Which investments should be held inside vs. outside the RRSP?

Please call us at 905-898-4900 if you have any questions regarding the above