



**Reminder**

The deadline for making your RRSP contribution for the previous tax year is March 1 or February 29<sup>th</sup> of a leap year.

## 12 RRSP Strategies

One highly effective tool for building up retirement assets in a tax-sheltered setting while also reducing your income tax for the current year is the registered retirement savings plan (RRSP). The following is a list of the 12 main strategies for making the most of your RRSP.

1. Remember any unused contribution room you may have from previous years.
2. Balance your retirement income against that of your lower-income partner. Contribute to a spousal RRSP in his or her name and benefit from the tax deduction.
3. Contribute regularly. Consider investing on a monthly or quarterly basis. This helps to minimize the risks associated to market fluctuations.
4. If you make a single annual contribution to your RRSP, do it earlier in the year. This gets your money working for you sooner and longer.
5. Borrow to contribute to your RRSP – this offers significant benefits. The gains from one year of tax-sheltered growth often exceed the cost of the loan.
6. Analyze your needs – your financial goals, risk tolerance and the number of years you need to contribute to accumulate the assets you want for retirement – with a financial advisor, who can then recommend appropriate investment strategies for you.
7. Ask your financial advisor to carry out with you an annual review of your portfolio status and financial goals to determine whether any changes need to be made to your portfolio structure to reflect changes in your current situation more accurately.
8. Keep your interest-bearing investments in an RRSP portfolio and your growth-oriented investments – such as equity funds – outside of this portfolio to maximize your tax benefits.
9. If possible, designate your spouse as beneficiary. Naming your spouse as beneficiary provides for the tax-free transfer of your RRSP to your spouse's RRSP at death - a small detail that could save you thousands of dollars.
10. If you are a cautious investor and seek to minimize risk, consider building a ladder GIC portfolio to provide for a certain level of liquidity each year if necessary as well as access to the highest possible rates at the time of renewal.
11. Diversify your portfolio. Stocks, bonds and liquid assets all react differently to market changes. Do not limit yourself to a single type of investment. In this way, even if one asset class performs poorly, the others may compensate.
12. Remember that the maximum age for converting your RRSP is now 71 years.