



# Top 10 RRSP Tips



- ✔ Calculate how much money you'll need for retirement and plan to save accordingly. Given a 3% annual rate of inflation, an individual earning \$50,000 dollars today will need an annual income of \$90,306 in 20 years to maintain the same level of purchasing power.
- ✔ Contribute as much as possible and start early. If you start contributing to your RRSP earlier in life, your money has more time to compound.
- ✔ Consider taking an RRSP loan to take advantage of unused RSP contribution room. Any tax refund you receive may be used to pay off the loan.
- ✔ Use your refund to pay off your RRSP loan.
- ✔ Use unexpected windfalls to contribute to an RRSP, such as a salary raise, bonus, inheritance or tax refund.
- ✔ Pay yourself first by taking advantage of automatic investment programs. By using a technique known as dollar cost averaging, you can invest equal dollar amounts on a monthly basis; you're buying more units when their prices are down and fewer units when prices are up. Contributing to your RRSP throughout the year can be easier and more profitable than paying one lump sum in February.
- ✔ If you're married, with one person earning more than the other, consider opening a spousal RRSP as an income splitting opportunity. Contributions can be made by one spouse who will claim the deduction, but the RRSP is registered in the name of the other spouse. At retirement, withdrawals from the spousal RRSP will be taxed in the hands of the annuitant, who will be taxed at a lower rate.
- ✔ Maximize the allowable foreign content in your RRSP. You are no longer restricted to 30% so diversify geographically.
- ✔ Once you've maximized your RRSPs don't stop there! Invest outside of your RRSP as well.
- ✔ Review your investment strategy and goals on a regular basis and invest into your RRSP every year.

**SPEAK TO YOUR FINANCIAL  
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OPTIONS FOR YOUR RRSP**