



Frequently Asked Questions – RRSP Age Limit Change

Q1. What changes are being made to the age limits of Registered Retirement Savings Plans (RRSPs)?

A1. Beginning in 2007, RRSPs must be collapsed by December 31 in the year in which the annuitant turns age 71. Previously the maximum age was 69.

Q2. I presently have a Registered Retirement Income Fund (RRIF). What are my options?

A2. You essentially have three options available to you if you turned 69 in 2005 or 2006.

a.) If you are presently receiving RRIF or annuity payments, you may reduce or stop the payments immediately until December 31 of the year following the year in which you turn age 71.

AND/OR

b.) Take no action.

OR

c.) Open a new RRSP and continue to make contributions if you have available contribution room. You will still receive a T4RIF for any RRIF payments that were made to you. Note that you will be required to convert your RRSP back to a RRIF by December 31 of the year in which you turn age 71.

Q3. Can I make a contribution to an RRSP in 2007, if I'm 70 or 71 years of age?

A3. Yes, you can make contributions to an RRSP until the end of the year in which you become 71 years of age. However, you must have available contribution room to do so.

Q4. Where can I find my RRSP contribution limit for the year?

A4. You can find this information on your most recent Notice of Assessment or by contacting Canada Revenue Agency directly.

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Q5. I turned 70 or 71 years of age in 2007 and received RRIF minimum payments. Are they still exempt from withholding tax?

A5. Even though RRIF annuitants born in 1936 and 1937 do not have to receive RRIF minimum amount payments this year, if you received such payments, they still remain exempt from withholding tax. Please contact a tax professional for details on how these changes affect your financial plan.

Q6. I presently have a RRIF and would like to open and contribute to a new RRSP. Can I return the RRIF minimum payments that I received to my new RRSP?

A6. Yes. You may use your RRIF minimum payments that you received to contribute to an RRSP provided you have the available contribution room. You will however, still receive a T4RIF for any RRIF payments that were made to you.

Q7. I will be 69 years of age in 2007. Am I required to make any changes to my RRSP?

A7. No. Under the new legislation, if you were born in 1938 (i.e. turned 69 in 2007) you are not required to convert your RRSP to a RRIF or annuity until 2009.

Q8. If I open a new RRSP, can I keep my funds in the same investments that I had in my RRIF?

A8. Yes. If you decide to open a new RRSP, all investments from your RRIF will be transferred “in kind”. Please contact your advisor if you have any questions related to your investment options.

Q9. How do I make changes to my registered plan?

A9. Please contact your advisor to assist you with your changes.

