

ECHOLON

WEALTH PARTNERS INC.

RRSP

The foundation of your long-term investment strategy - and peace of mind



The Echelon Difference

We're a leading independent, Canadian-owned and operated wealth management and capital markets firm, known for our client-centred approach and entrepreneurial spirit. Echelon is a compelling option for investors seeking unbiased investment solutions, professional management and unparalleled service. We aim to build lifetime relationships and deliver superior service. Our financial professionals have the freedom to offer truly independent investment advice, always putting their clients' needs first. We are also a growing firm, with approximately \$6 billion in assets under administration and management. We service clients across Canada from our offices in Toronto, Oakville, Ottawa, London, Montreal, Vancouver, Victoria, Calgary, Edmonton, and Saskatoon.

RRSPs are vitally important to our clients' retirement goals. Managing these nest eggs is a privilege we never take for granted.

Introduced decades ago, Registered Retirement Savings Plans (RRSPs) are registered accounts designed to help us build financially secure and comfortable retirements. RRSPs offer you a number of advantages.

- RRSP investments, including interest, capital gains or dividends, compound tax-deferred as long as they remain in the plan.
- Your contributions are tax-deductible. Every dollar you invest in your RRSP, up to your contribution limit, is deducted from your previous year's taxable income.
- There is an ever-growing range of RRSP-eligible investment options, including equities, bonds, short-term deposits, GICs, mutual funds and many more.
- Withdrawing from your RRSP when you're retired and at a lower tax bracket means you'll likely pay lower taxes.

At Echelon, our Advisors bring a wealth of experience to building customized RRSP investment strategies that reflect your financial goals -- and retirement dreams.

Maximize your contributions with a RRSP loan

Are you unable to contribute to your RRSP due to cash flow reasons? Or perhaps you'd like to take advantage of unused contribution room from previous years? An RRSP loan can help you avoid missing significant tax and retirement benefits. As always, your Echelon Advisor can help ensure an RRSP loan is the right decision for you and your future.

IMPORTANT CONSIDERATIONS FOR THE 2019 TAX YEAR

Deadline: March 2, 2020

Contribution Limit: The lesser of \$26,500 or 18% of earned income from your previous tax year, minus any pension adjustments. Remember, you can also carry forward any unused contribution room.

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- Contribute early to receive the long-term benefits of compounding returns.
- Contribute regularly to create a disciplined savings routine.
- Contribute the maximum to ensure the greatest potential for growth.
- Carry forward unused contribution room. Unused contribution room has an indefinite carry-forward period until age 71. *(Your most recent Notice of Assessment from CRA will include the exact amount that you can contribute to your RRSP.)*
- Diversify with a range of investment options so your money works harder.
- Invest internationally so your portfolio will be less dependent on the performance of Canada's economy alone.

FAQS

What happens when I turn 71?

You can contribute to your RRSP until December 31st of the year you turn 71. After that, it's time to start drawing retirement income by converting your RRSP to a RRIF or an annuity. You'll also have the option of withdrawing your money completely.

What if I over-contribute to my RRSP?

You'll be subject to a 1% penalty tax per month, to the extent that the over-contribution amount exceeds \$2,000.

When should I open a spousal RRSP?

Generally, you want to consider a spousal RRSP if:

1. You're planning to retire before age 65 and don't have a registered pension plan.
2. You're saving for a home (your spouse can withdraw \$25,000 under the Home Buyers' Plan).
3. If your spouse is not yet 71, and you have unused contribution room in your RRSP, you can continue to contribute to your spouse's RRSP until they turn 71.
4. If you and your spouse want to make the balance of assets in your household more equal.

Can I withdraw from my RRSP early?

You're free to do so, but if you take money out of your RRSPs before retiring, you'll have to pay income tax on the amount withdrawn.

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