FRANKLIN TEMPLETON INVESTMENTS

2017

Registered Retirement Income Fund (RRIF) – Important Information

Objectives

A RRIF is a savings vehicle which helps to minimize taxes and make the most of your retirement income. You can think of a RRIF as the next phase of your Registered Retirement Savings Plan (RRSP). The key distinction is that you use an RRSP to save for your retirement and use a RRIF to withdraw income during your retirement.

Both RRSPs and RRIFs allow for tax–deferred growth, offer several investment options and are government regulated.

A major difference between them is that with an RRSP, you can make annual contributions as long as you have earned income and contribution room available. RRSP withdrawals are optional and will be taxed. You cannot contribute to a RRIF and you must make minimum mandatory withdrawals each year.

When to create a RRIF

You must convert an RRSP to a RRIF by December 31 of the year in which you turn 71. However, you do have the choice to convert your RRSP to a RRIF at anytime before then.

How do RRIFs work?

The Canada Revenue Agency (CRA) requires that you withdraw a minimum amount from your RRIF each year. The sum is set at the beginning of each year by a calculation that uses your age and the value of your RRIF assets on December 31 of the previous year.

Benefits

- Provides a constant stream of income during retirement.
- An excellent complement to other income sources (government pension, company pension and other savings).
- Tax-deferred transfer and tax-sheltered growth – you don’t pay taxes until you withdraw your income.
- You choose how your money is invested.

It is always a good idea to speak with your financial or tax advisor about the strategy that's best for you. For more information about RRIFs please contact your advisor or call our Client Services team at 1.800.387.0830.