

RRSP LIMITS, BENEFITS & INVESTMENT OPTIONS



SHAH FINANCIAL
— PLANNING INC. —

2022 ANNUAL LIMIT: 18% OF ELIGIBLE INCOME \$29,210 MAXIMUM

2022 RRSP DEADLINE: MARCH 1, 2023

CONTRIBUTION RULES:

\$2,000 of over-contribution is allowed and there as a buffer, however any amount over that is subject to a 1%/month penalty paid to the CRA. (see CRA site for more info).

Contribution room can be found in their notice of assessment - [T1028](#).

For In-Kind contributions: **capital gains must be declared**, capital losses cannot be claimed. Current market value is used to calculate the contribution amount.

THINGS TO WATCH OUT FOR:

SPOUSAL RRSP

- Contributions are tax deductible to the contributing spouse.
- Spousal contribution can be made even if contributing spouse is over age 71, but the annuitant must be age 71 or younger.
- Withdrawals are taxable to the annuitant except for spousal contribution made in the last 3 years (see CRA site for more info)

INVESTMENT OPTIONS

Deposit products or non deposit products, including mutual funds.

A government run savings program, designed to encourage Canadians to save and invest for retirement.

- Investments inside an RRSP are tax-sheltered meaning no tax on income or growth within RRSP.
- Contributions are tax deductible for income tax.
- Creditor protection (not including contributions made in past 12 months).
- Potential income splitting with Spousal RRSP.

HOME BUYERS PLAN

- Maximum loan amount \$35,000.
- Must be a "first home buyer"
- Repay the loan within 15 years (starting in year 2).
- Unpaid payments become taxable income in the year.

LIFE LONG LEARNING PLAN

- Maximum loan amount \$10,000.
- Repay the loan within 10 years.
- Unpaid payments become taxable income in the year.

We encourage you to schedule an appointment with your Financial Advisor at least annually to review your portfolio.

Your participation is required in order for your advisor to assist you with your financial goals and objectives.

If you require further information/assistance, please do not hesitate to contact your financial advisor at

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