

RRSP Account:

Contributing to an RRSP account offers great benefits:

- Higher potential for overall earnings (but with risk of losses)
- Earnings are tax sheltered until their time of withdrawal
- Immediate tax deduction realized when contributing through payroll
- RRSP withdrawals
 - Subject to withholding tax
 - Added to your taxable income
 - First RRSP withdrawal is free, subsequent withdrawals are \$25 each

SPOUSAL RRSP Account :

Spousal RRSPs are good for people with:

- A spouse in a lower tax bracket
- A spouse with no retirement savings
- You make the contributions
- You receive the tax deduction
- Your spouse owns the plan and directs the investments

The idea being that overall taxes paid will be less if income is split into two smaller amounts rather than one large one. The money accumulates in your spouse's name, setting up an income splitting scenario at retirement