Your Guide to Understanding the

RRIF

REGISTERED RETIREMENT INCOME FUND

2025/2026

This brochure has been created to provide general information regarding the Registered Retirement Income Fund as a courtesy of your financial institution and is based on legislation in effect as of April 2025.

All examples provided are hypothetical and for illustrative purposes only. Please contact your investment representative at your branch to obtain personalized advice on your financial plan. Further information related to the RRIF, and other registered products may be obtained by phone at **1-800-959-8281** or through the Government of Canada website **https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/registered-retirement-income-fund-rrif.html**

Table of Contents

What is a RRIF?

A Registered Retirement Income Fund (RRIF) is a tax-deferred investment vehicle approved by the federal government that accepts transfers from your Registered Retirement Savings Plan (RRSP) and other pension plans in order to provide you with a retirement income.

The owner of the plan, known as the account holder or annuitant, funds the RRIF by way of transferring property from an eligible Canadian pension vehicle such as an RRSP, RRIF, Pooled Registered Pension Plan (PRPP), Retirement Pension Plan (RPP), Specified Pension Plan (SPP), Advanced Life Deferred Annuity (ALDA), or from a First Home Savings Account (FHSA).

Usually, you cannot contribute money to a RRIF like you can for an RRSP as the RRIF is designed to provide you with an income stream during your retirement years from property already contributed to a pension plan.

While you don't need to be a resident of Canada to open a RRIF, you must have a valid Social Insurance Number (SIN) when the account is opened. However, the property transferred to the RRIF must come from a Canadian pension vehicle as listed above.

Transfers to a RRIF are not deductible from your taxable income. Though, income and gains generated in the account are deferred from tax while remaining in the RRIF.

Who Can Open a RRIF?

Eligibility requirements

A RRIF is available to individuals who meet the following requirements:

- Has a valid SIN; and
  - Has property to transfer from a Canadian pension vehicle; or
  - Has property to transfer from an FHSA

There are no age requirements to open a RRIF, so long as you have eligible property to transfer in. If you have an RRSP, the property must be transferred to a RRIF, or to another registered plan, like an annuity, by the end of the year you reach age 71.

SIN requirements

The Canada Revenue Agency (CRA) will register a RRIF when the annuitant's surname, SIN and date of birth match their records. The CRA will not accept the RRIF for registration if one or more of the required data elements do not match the information in their files.

Features and Benefits

Retirement Income

The RRIF is a valuable retirement savings and source of income vehicle, designed to provide you with an income stream during your retirement years. The RRIF could also provide you with an additional source of income to enhance your company and/or government pension benefits, all while your investments continue to grow tax-free until withdrawn.

As annuitant and owner of the RRIF, you can have as many accounts as you wish; however, each RRIF will require a minimum payment which will be including in your taxable income for the year of withdrawal.

DID YOU KNOW

If you have a RRIF and are age 65 or older, you can claim up to $2,000 of your RRIF income to take advantage of the Pension Income Amount tax credit.

The federal credit rate is 15% which results in a maximum savings of $300 on eligible pension income ($2,000 x 15%).

This non-refundable tax credit can be used to reduce your federal tax payable, or it can be transferred to your spouse or common-law partner if they have federal tax payable.

Consult your financial or tax advisor for more information on the pension income amount.

Compound growth and tax-sheltered savings

Like with your other registered products, such as an RRSP and TFSA, property invested in your RRIF benefits from the effects of compounded growth.

A RRIF allows you to invest money in the account without being taxed on the income and growth of the assets while held in the RRIF. This tax-free and compounding growth results in quicker savings compared to investing in a non-registered account.

Creditor protection

The federal Bankruptcy and Insolvency Act provides protection to RRIFs, as well Registered Retirement Savings Plans (RRSPs), Registered Education Savings Plans (RESPs), and Registered Disability Savings Plans (RDSPs), from seizure by creditors in the event of bankruptcy only.

Transfers made to your RRIF in the 12 months prior to the date of filing may not have bankruptcy protection, unless the financial institution can confirm the contribution history of the transferred funds.

In the event the RRIF property is not protected under federal legislation, provincial and territorial legislation may provide further protection.

EXAMPLE

Laura declared bankruptcy on April 15th, 2025; therefore, any contributions/transfers made from April 15th, 2024, to April 15th, 2025—the date of bankruptcy — would not be protected from creditors. All amounts in the RRIF prior to April 15th, 2024, receive full creditor protection.

Mandatory minimum payments

Since the RRIF was developed by the federal government to provide you with an income stream during retirement, there is a mandatory minimum amount that must be withdrawn each year, starting the year after the account was opened.

The minimum amount is not subject to tax at the time of withdrawal. However, the amount must be reported by you as income on your personal tax return for the year of withdrawal. You can request (in writing) for your financial institution to take tax on the full amount should you determine the income would create a tax liability when you file your tax return.

The 2025 federal budget was delayed this year pending the outcome of the federal election in April. Although, the elected government proposed measures to reduce the minimum required withdrawal by 25% for one year.

Consult with your financial institution on the results of this measure once the 2025 federal budget is released.

EXAMPLE

George, aged 71, opened a RRIF in December 2024 due to his RRSP maturing. Since there is no mandatory requirement to take payments from the RRIF in the year it was opened, George will receive his first RRIF payment(s) in 2025.

The RRIF payment schedule is set up at the time the account is opened, based on the dates and frequency permitted by the financial institution administering the account.

RRIF payments are calculated by your financial institution at the beginning of the year based on a formula provided by the federal government, for minimum payments, and provincial, for maximum payments on a locked-in account.

The formula for the minimum payment is based on your or your spouse's age as selected at the time the account was set up. The age option cannot be changed once you make the selection. Check with your financial institution for any exceptions.

There is no option to select your spouse's age for calculating maximum payments on a locked-in account.

Refer to the table below for the minimum payment:

Age of the RRIF annuitant or spouse or common-law partner	Prescribed factor
71	.0528
72	.0540
73	.0553
74	.0567
75	.0582
76	.0598
77	.0617
78	.0636
79	.0658
80	.0682
81	.0708
82	.0738
83	.0771
84	.0808
85	.0851
86	.0899

Age of the RRIF annuitant or spouse or common-law partner	Prescribed factor
87	.0955
88	.1021
89	.1099
90	.1192
91	.1306
92	.1449
93	.1634
94	.1879
95 or older	.2000

Taxable withdrawals

All withdrawals in excess of the required minimum and withdrawals taken in the year the RRIF was opened are subject to tax at the time the payment is made.

Reportable transactions are detailed on a T4RIF tax information slip issued by your financial institution at the end of February following the year of withdrawal.

Note withholding taxes for a RRIF are the same as for an RRSP:

Amount of payment	Withholding tax rate (all provinces except QC)
Minimum amount	0% (unless requested tax in writing)
Excess amount	
Up to $5000	10%
$5,001 to $15,000	20%
More than $15,000	30%

Withholding tax rates are based on the sum of all known payments for the year.

EXAMPLE

George's minimum payment for 2025 is $6,000. He requested monthly payments to be transferred to his savings account with his financial institution. Since the requested amounts for the year did not exceed the minimum, there was no withholding tax taken at source and George received the full amount of $550 each month.

If George's required minimum was $6,000 but he requested a one-time payment of $10,000, the excess amount of $4,000 ($10,000 - $6,000) would be subject to 10% withholding tax ($4000 x 10% = $400). In this scenario, George received $9,600 after tax ($10,000-$400).

Income-tested benefits: recovery tax

Since RRIF payments are counted towards your annual income, the payments may affect your eligibility for income-tested benefits such as Old Age Security (OAS), Guaranteed Income Supplement (GIS), and the Age Credit.

Contact your financial advisor or tax expert for more information on pension recovery taxes.

RRIF Types

There are generally four types of RRIFs: Individual, Spousal, Locked-In and Self-Directed.

Individual RRIF

An Individual RRIF is registered in the name of the account holder, also referred to as the annuitant, and the owner of the pension assets transferred to the RRIF.

RRIFs also have supplemental versions for locked-in accounts. These accounts, collectively known as locked-in RRIF accounts, include the following:

- Life Income Fund (LIF)
- Locked-In Retirement Income Fund (LRIF)
- Restricted Life Income Fund (RLIF)
- Prescribed RIF (PRIF)

Locked-in RRIF Account

A locked-in RRIF account is a special type of RRIF that is available to accept direct transfers from your company pension plan upon early retirement or end of employment, or from another locked-in account in your name including a locked-in RRSP. *The types of locked-in RIF accounts are listed above.*

Optional maximum payment

As with a regular RRIF, there is a mandatory minimum payment requirement; however, a locked-in RRIF account has a maximum payment threshold as imposed by the applicable pension jurisdiction that the account is locked-in under.

While the minimum payment can be based on your age or the age of your spouse or common-law partner, the maximum payment can only be calculated based on your age at the beginning of the year.

The legislation governing a locked-in pension account is based on the province where you worked to earn the pension credits, with the exception of pensions governed by federally regulated industries.

Federal legislation oversees pensions of federally regulated industries and workplaces such as airlines, banks, broadcasting and telecommunications, shipping, postal and courier services, and railways, etc.

Spousal RRIF

A spousal RRIF is a RRIF that received property from a spousal RRSP or another spousal RRIF. The owner of the spousal RRIF is referred to as the annuitant of the account.

Amounts exceeding the required minimum withdrawal from a spousal RRIF may be subject to the 3-year attribution rule. The excess amount would be considered taxable income of the spouse contributor. *Refer to the 3-year attribution rule section below.*

Self-Directed RRIF

A self-directed RRIF is a retirement income vehicle established with a trustee where you, the annuitant, manages the portfolio with or without the assistance of an advisor or broker. This account type is structured to hold a variety of qualified investments in one account, making it easier to track your investments.

Self-directed RRIFs are offered by select financial institutions only. Consult with your financial institution if they offer self-directed products.

Qualified investments in a RRIF

A RRIF can accept the same qualified investments as those held in an RRSP.

Types of qualified investments are prescribed under the Income Tax Act (Canada) and include some of the following:

- Cash/Variable Interest Savings Accounts
- Term Deposits and Guaranteed Investment Certificates (GICs)
- Credit Union Membership Shares
- Index-linked Term Deposits
- Mutual Funds

A self-directed RRIF allows you to hold additional qualified investments such as:

- Government and corporate bonds
- Securities, listed on a designated stock exchange, including exchange-traded funds (ETFs)
- Mortgages (with certain conditions)
- Mortgage Investment Corporations (MICs)

Investments in a self-directed RRIF are subject to the investment inclusion policies at your financial institution. However, you must ensure the investments you hold in a self-directed account are qualified investments under the Income Tax Act.

3-year attribution rule

A spousal RRIF may be subject to the 3-year attribution rule on payments that exceed the required minimum withdrawal where a contribution was made to your spousal RRSP within the current and previous 2 years at the time of the excess withdrawal.

If an excess amount is withdrawn during the attribution period, the amount of the withdrawal will be attributed back to the spousal contributor of the RRSP and will be included in their taxable income in the year of withdrawal. The attribution rule does not apply on the required minimum payment.

The 3-year attribution applies to the year of withdrawal and the preceding 2 calendar years as demonstrated in the following example.

Spousal RRSP contribution	
2022	$5,000
2023	$10,000
2024	$5,000
2025	$0
Total Contributions	$20,000

Spousal RRIF Withdrawal (required minimum $5,000)	
2025	$8,000

In the above example, the RRIF was opened and the first RRIF payment was due in 2025.

Since the account owner requested more than the minimum, referred to as the excess amount, and their spouse contributed to an RRSP in their name within the 3-year attribution period, the excess amount of $3,000 will be considered taxable income in the name of the spouse contributor for the 2025 tax period. The RRIF account holder will only report the $5,000 amount, which is the required minimum for the year.

Consult with your tax specialist or advisor for more information related to RRIF withdrawals.

Non-Residents

The CRA may consider an individual a non-resident of Canada for tax purposes if they:

- Normally, customarily or routinely live in another country
- Live outside Canada throughout the tax year
- Stay in Canada for less than 183 days in the tax year
- Have no significant residential ties to Canada, such as a home, a spouse or common-law partner, or dependents

If you own a RRIF while a non-resident of Canada, the RRIF may remain open and retain its tax-exempt status on income and gains. However, the income and gain may be considered taxable income in a country outside of Canada.

Payments from your RRIF, including the minimum amount, may be subject to non-resident tax.

Canada has tax treaties with most foreign countries that deal with registered plans and pension income. It is advised you consult with an international tax specialist for information on your tax obligations while residing outside of Canada.

Withdrawals while a non-resident, are subject to a 25% withholding tax unless reduced by a tax treaty between Canada and your country of residence for tax purposes. Your financial institution will issue a NR4 information slip by the end of March following the year of withdrawal.

Transfers

Transfers related to a RRIF take place on a tax-deferred basis as long as the funds are transferred, by your financial institution, directly to or from:

- Another RRSP, FHSA or RRIF owned by the plan holder, unless restricted by investment terms and conditions (e.g., 3-year fixed deposit)
- The RRSP, FHSA or RRIF of a spouse/common-law partner named as the beneficiary on the death of the plan holder; or
- The RRSP, FHSA or RRIF of a former spouse/common-law partner on a relationship breakdown

In all the above cases, where applicable, a direct transfer will not affect the contribution room of the plan holder receiving the funds. You can instruct a financial institution to transfer from one RRIF to another RRIF/RRSP in your name provided the proceeds are transferred directly between the registered accounts. If funds are paid out first it would be considered a taxable withdrawal and included in your income for the year of payment.

Transfers from a RRIF to an RRSP in your name can only take place where you meet the age requirement for the RRSP. That is if you are under age 71 at the time of the transfer, since an RRSP can only be opened until the end of the year you reach age 71.

Your financial institution must ensure your required minimum is paid before processing the transfer.

Additionally, there are special rules that allow for transfers from a company pension to your RRIF on a tax-deferred basis, such as the following transfer types:

- Registered Pension Plan (RPP) you received as a result of employment, death of a spouse, relationship breakdown, or court order

- Specified Pension Plan (SPP) you received as a result of being a plan member, or through death of a spouse, relationship breakdown, or court order.

You can also transfer your RRIF to a registered annuity product offered by an insurance company that will pay you an income stream for a specific period of time.

Consult your annuity provider for further details.

Relationship breakdown transfer

When there is a breakdown in marriage or common-law partnership, an agreed upon amount can be transferred directly from one individual's RRIF to the other's RRIF, or RRSP. Transfers to an RRSP does not impact the contribution room of either party.

The following conditions must be met:

- You and your spouse, or common-law partner, are living separate and apart at the time of transfer; and
- The amount of the transfer arises from a decree, order, or judgment of a court, or under a written separation agreement

The transfer must be made directly between your RRIF and to the recipient's RRIF or RRSP to avoid any tax implications.

Your financial institution will issue you a T4RIF information slip to report the details of the relationship breakdown transfer in box 35. This amount must be reported on your individual tax return for the year of the transfer.

Transfers due to relationship breakdown must be processed using the CRA's prescribed form

T2220, for a RRIF or RRSP. FHSA transfers are completed using form RC723.

Death of a RRIF holder

A RRIF can be used as an effective estate management tool by allowing you to designate your spouse, common-law partner (collectively referred to as your spouse), as successor or beneficiary, or other individual as beneficiary on the account. By designating a successor or named beneficiary on your RRIF, the account assets will bypass your estate resulting in the assets being excluded from probate.

As permitted by law, you may designate any individual to receive the proceeds of the RRIF upon your death. The following appointments apply in all jurisdictions except for Quebec.

It is advisable to consult with your estate specialist regarding your estate planning strategy.

Spouse as successor

You may appoint your spouse as successor of your RRIF using the account application or other acceptable form provided by your financial institution.

When naming your spouse as successor of your RRIF, they become the new owner and annuitant of the RRIF including the age election selected for payments when the account was originally opened.

As successor, the RRIF would continue in their name and all future payments would be paid to them and reported on their tax return. A T4RIF will be issued in the name of the successor to report all payments made after they took over the account. **There is no tax liability to your estate in this scenario.**

To change the age election, the successor would need to transfer the RRIF into another RRIF in their name. There is no tax reporting resulting from this type of transfer.

Spouse as beneficiary

You may appoint your spouse as beneficiary of your RRIF either directly, using the acceptable form provided by your financial institution, or by making the designation to the specific RRIF in your will.

When naming your spouse as beneficiary of your RRIF, they could rollover (transfer) the full amount into a RRIF or RRSP in their name avoiding any tax liability to your estate. This type of rollover provision is known as a designated benefit and should be completed no later than December 31st following the year of the RRIF holder's death (the exempt period).

Income earned after the exempt period is not eligible for transfer and will be taxable income to your spouse in the year of settlement.

Alternatively, if your surviving spouse is a beneficiary of your estate, a joint election could be made by your legal representative and your surviving spouse to treat all or part of the RRIF proceeds paid to the estate as having been transferred to a RRIF, or RRSP of your surviving spouse. Either of these elections result in a deemed tax-free transfer from the RRIF to the survivors registered account. This election is processed using the prescribed CRA form, T1090 - Death of a RRIF Annuitant – Designated Benefit.

The designated benefit provisions also apply to a financially dependent child or grandchild and is subject to certain conditions. Contact your financial advisor or tax expert for more information.

Note, there could be a tax liability to your estate should your surviving spouse take the proceeds into cash or not transfer the full amount to a RRIF or RRSP in their name. It is recommended that you seek independent legal and or tax advice related to beneficiary designations and your registered account.

Other designated beneficiaries

Where permitted by law, you may designate any individual or registered charity as beneficiary of your RRIF. Likewise, you may choose not to name any beneficiary at all; in this case the proceeds from your RRIF would become payable to your estate.

An advantage of naming a beneficiary on your RRIF is that they will receive their proportionate share of the full value of the RRIF when it becomes payable upon death. While the fair market value of your RRIF at the time of death becomes taxable income on your final return, all income, and gains from the date of death to the date of settlement (pay out) becomes taxable income to the beneficiary.

In this scenario, your financial institution will issue a T4RIF slip (in your name) to your estate representative reporting the date of death value, and a T4RIF in the name of the beneficiary to report income earned after date of death.

There is no tax liability to your estate when there is a direct rollover from your RRIF to your spouse, common-law partner, or financially dependent child or grandchild*, or where your spouse, or common-law partner is named as successor of the RRIF.*

Minor beneficiary

Naming a minor beneficiary on your RRIF may result in settlement delays as well as potential legal and tax consequences as your financial institution cannot release the proceeds until the minor beneficiary reaches the age of majority. *Refer to the following age of majority table.*

Province	Age of Majority
Alberta	18
British Columbia	19
Manitoba	18
New Brunswick	19
Newfoundland and Labrador	19
Northwest Territories	19
Nova Scotia	19
Nunavut	19
Ontario	18
Prince Edward Island	18
Quebec	18
Saskatchewan	18
Yukon Territories	19

It is strongly advised that you name a trustee for a minor beneficiary either through the form provided by your financial institution or through a formal trust document drafted by a legal practitioner.

It should be noted the minor beneficiary's guardian does not automatically have guardianship of the minor's property unless appointed by the court or through a formal trust agreement.

Donation to a qualified donee

Where the RRIF plan holder names a Canadian registered charity a beneficiary of the RRIF, the transfer of funds to the registered charity must occur within the 36-month period following the plan holder's death. If the transfer occurs during this 36-month period, the transfer is deemed to be a donation or gift made immediately before the plan holder's death. Once the donation has been completed, the estate representative can claim the charitable donation tax credit.

Examples of a qualified donee:

- A registered charity
- A registered Canadian amateur athletic association

- A registered journalism organization
- A registered Canadian municipality

You should seek independent tax-advice prior to designating a charitable organization as a beneficiary of your RRIF.

All beneficiary designations are subject to the acceptance of the financial institution.

Use of a RRIF as security for a loan

If a trust governed by a RRIF allows any property as security for a loan, the value of the property must be included in the RRIF annuitant's income in the year of the loan and will be taxed accordingly.

Your financial institution may not permit the use of a RRIF as security for a loan. Check with your financial institution if you have any questions.

Non-qualified or prohibited investments

A RRIF is subject to severe tax consequences in any of the following scenarios:

- The RRIF holds a non-qualified investment; or
- The RRIF invests in a prohibited investment

If any of the above situations occur, your RRIF will be taxed on any income earned and on any capital gains generated from either the non-qualified or prohibited investment or both. In this case the RRIF would be subject to special trust reporting to the CRA.

Non-qualified and prohibited investments are subject to a 50% tax on the value of the property at the time it was purchased or became a non-qualified or a prohibited investment. Additionally, you, the RRIF annuitant, will be liable for an advantage tax of 100% on any income or gains derived from the property while it remains in the RRIF.

The CRA implemented these tax measures to discourage abusive tax-planning arrangements within a RRIF.

Account advantages and benefits

If you, or anyone related to you, was provided with an advantage, certain benefit, or debt that is conditional on the existence of your RRIF, you may be subject to an advantage tax:

- In the case of a benefit, the FMV of the benefit; and
- In the case of a debt or loan, the amount of the debt or loan

The Income Tax Act stipulates that a RRIF carrier cannot provide you, the annuitant, with any benefits or advantages that are in any way conditional on the existence of the RRIF, such as merchandise, trips, or interest-free loans. These types of incentives will be taxed to you as the recipient of the advantage.

The CRA has granted exceptions to certain benefits, which will not be taxed to the annuitant so long as the benefit is credited directly to the RRIF and not to the annuitant.

Benefits received by someone other than your RRIF carrier will be subject to a penalty tax of 100% of the benefit. You will be responsible for reporting the transaction to the CRA and paying the penalty tax.

How Do You Get Started?

Please visit your local financial institution branch to discuss how a RRIF can enhance your retirement plan. Before making any investment decisions, it is advised that you ask your financial advisor about deposit insurance protection.