

What is an RRSP?

A Registered Retirement Savings Plan (RRSP) is a savings plan, registered with the Canadian federal government that you can contribute to for retirement purposes.

When you contribute money to a RRSP, your funds are "tax-advantaged", meaning that they're exempt from being taxed in the year you make the contribution. Any investment income earned from investments held within the RRSP can then grow tax-deferred, as long as the money remains within the RRSP, until it's withdrawn.

RRSP contributions are tax-deductible, meaning that they can be deducted on your current year tax return, potentially reducing the total amount of taxes you pay.

RRSP vs. RSP

RSPs (Retirement Savings Plans) and RRSPs are different names for the same retirement savings plan that is registered with the Federal Government.

RRSPs could help you meet your financial goals

Meet with us in person or over the phone and let us show you how.

Book an Appointment

How do RRSPs work?

You can hold a wide range of investments within an RRSP¹, depending on the type of plan, including stocks, bonds, guaranteed investment certificates (GICs), and mutual funds. Investment income earned from these investments, is tax-deferred in the RRSP until you withdraw the funds.

How much you can contribute annually is subject to a maximum contribution amount, known as your RRSP contribution or deduction limit. Your RRSP contribution limit for 2024 is equal to 18% of your 2023 earned income, or \$31,560 (whichever is lower) plus previous unused contribution room less any pension adjustments. You can also look at your 2023 notice of assessment for your 2024 RRSP contribution limit.

For more on RRSP contributions, review our guide on making RRSP contributions.

Learn more



RRSP Investment Options

You have the flexibility to hold and move your money between a wide range of eligible investments in your RRSP¹. These investments may include:

- Cash
- Savings account
- GICs (Guaranteed Investment Certificates): An investment that offers a guaranteed rate of return over a fixed period.
- Mutual Funds: An investment fund that pools the money of individual investors and uses it to buy securities such as stocks, bonds or other mutual funds. Unlike most other types of investment funds, mutual funds are "open-ended," which means as more people invest, the fund issues new units.
- Government and Corporate Savings Bonds: investments that work like an IOU (I-Owe-You), wherein investors make loans to a company/government, and usually earn a fixed rate of return.
- Securities listed on a designated stock exchange – including individual stocks.
- ETFs: An investment fund that holds the same mix of investments as a stock or bond market index and trades on a stock exchange.

At what age am I eligible to contribute to an RRSP?

There's no minimum age required to open an RRSP.

However, some financial institutions may require customers to be the age of majority. You can set up and contribute to an RRSP up to the end of the year you turn 71 as long as you are a Canadian resident, have earned income and file a tax return.

To learn more about contributing to an RRSP, review our [RRSP Contribution Rules](#) guide.

What's the best age to open an RRSP?

This can vary from person to person. Generally, however, the earlier, the better! It's never too early to start investing for retirement. In fact, investing early can potentially help you reap the benefits of tax-deferred compound interest depending on the type of investment you hold.

What are the benefits of investing in an RRSP?

- **Tax-Deferred Savings:** Any investment income earned on investments held within the plan is tax-deferred, as long as it remains in your RRSP.
- **Tax Deductions:** Your RRSP contributions are tax-deductible and may help to reduce the total amount of income tax you pay.
- **Optimizing Deductions:** You can carry forward your unused RRSP contribution room from years of lower income and use it in future years when your income may be higher. This can help you benefit from tax savings when you're in a higher tax bracket.
- **Income Splitting:** If you earn more than your spouse or common-law partner, contributing to a spousal RRSP may help reduce the total amount of tax you pay.
- **Financing your First Home or Education:** You can withdraw money from your RRSP without being immediately taxed to pay for your first home or education, under the Home Buyers' Plan or Lifelong Learning Plan (LLP)².

When can I withdraw my money?

You can make a withdrawal from your RRSP any time³ as long as your funds are not in a locked-in plan, but withdrawals will generally be included in your income and subject to tax in the year of withdrawal.

Usually, a portion of the withdrawal will be withheld and remitted to the government as a prepayment of the income tax you will owe for the year.

Depending on the amount of taxable income you're earning in the year of withdrawal, it may be beneficial to put off making withdrawals until a year in which your taxable income will be lower.

In addition, unlike withdrawals from a tax-free savings account (TFSA), withdrawals from an RRSP are not added back to your contribution room in the year following the withdrawal.

To learn more about withdrawing from an RRSP, review our [RRSP Withdrawal Rules](#) guide.

How long can my RRSP stay open?

You are not allowed to own an RRSP past December 31 of the calendar year you turn 71.

At that point, you'll have to withdraw funds from the RRSP as a lump sum, transfer its contents to a Registered Retirement Income Fund or purchase an annuity.

When is the RRSP contribution deadline for 2024?

The RRSP contribution deadline for the 2024 tax year is March 1st, 2025. For key RRSP Contribution dates, review our [RRSP Deadline guide](#).

You may also be interested in:

RRSP Contribution and Deduction Limit Rules

Your guide on contributing to an RRSP, deductions, over-contributions.

Learn More

Compound Interest Calculator

Use our Compound Interest Calculator to see how your investments could grow over time.

Calculate now

See what types of RRSPs TD offers

Start saving for what's essential to you.

Open a RRSP with TD and start saving for your retirement.

Get started

Legal

¹ Depending on the type of plan.

² Subject to eligibility and conditions.

³ Subject to any restrictions on the investments held.

Ways to Apply

Book an appointment

Meet a banking specialist in person at the branch closest to you.

Book now

Call us

Our banking specialists are ready to answer your questions and can assist you in opening your RRSP.

1-800-386-3757

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