WOOD GUNDY

RRSP contribution checklist

Starting with 1991 contribution limits, unused RRSP contribution room can be carried forward indefinitely. Unfortunately, those intending to catch up at some future point in time may find it very difficult to do so without disciplined planning and a specific strategy.

Like many investors, you may not realize that you can contribute up to your annual RRSP limit in any given tax year without using the tax deduction for that year. For example, you could use the tax deduction in a year when your taxable income is higher because of a sizeable bonus or capital gain. You could also carry the tax deduction forward, to reduce income in retirement, and possibly avoid a claw back of government benefits.

Determining your RRSP contribution room

Canada Revenue Agency's (CRA) Notice of Assessment, which you receive after filing your tax return, indicates your RRSP deduction limit. It also includes unused contribution room carried forward from previous years.

You can also check your RRSP deduction limit by calling The CRA Tax Information Phone Service (TIPS) or, if you have an online account with the CRA, you may also check your RRSP deduction limit online.

RRSP contribution checklist

- Make your RRSP contribution for 2025 by the March 2, 2026 deadline in order to use the tax deduction for the 2025 tax year.
- If possible, contribute your 2026 RRSP maximum amount at the beginning of the year, which will allow you to take advantage of tax-sheltered compounding sooner.

Special RRSP contributions

If you received a retiring allowance in 2025, you must contribute any eligible amount by March 2, 2026. Please note that the carry forward provision does not apply to a retiring allowance.

RRSP catch-up strategies

- Invest any extraordinary lump sums you have received, such as a bonus, severance pay not eligible for RRSP rollover, proceeds of liquidated assets, an inheritance or windfall, in your RRSP.
- Contribute eligible securities you hold outside of a registered account to your RRSP. Capital gains realized on an "in kind" contribution are taxable, but capital losses are not recognized.
- Set up a Pre-Authorized Contribution plan, where funds are automatically transferred to your RRSP every month.
- Borrow funds to contribute to your RRSP and apply your tax refund against the loan.[1]

Other planning considerations

- Consider directing personal contributions to a Spousal RRSP.
- Designate beneficiaries appropriately.[2]
- Review investment objectives and asset mix.
- If RRSP contributions are already maximized, ask your CIBC Wood Gundy Investment Advisor about tax-effective accumulation strategies available with Tax-Free Savings Accounts (TFSA) or Universal Life Insurance.

We're here to help

For more information on RRSP planning, speak with your CIBC Wood Gundy Investment Advisor who will work with you to determine the best solution to meet your individual needs.

[1] You should aim to pay off the loan within one year. While interest paid on a loan is not tax-deductible, borrowing may still be worthwhile for you, if expected investment returns will be greater than the cost of borrowing.

[2] Rules differ in the province of Québec where beneficiary designations in RRSP contracts are not recognized.

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