What is a RRIF?

Simply put, you can't keep your retirement savings in an RRSP forever. Many people move their savings to a Registered Retirement Income Fund, more commonly known as a RRIF.

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A RRIF is one of the ways you can convert an RRSP into an income stream. Then, this income can help support you in your retirement.

A RRIF keeps you in control of how you invest your money. You can choose to invest in:

- Guaranteed investment certificates
- Mutual funds
- Segregated fund contracts
- Other types of investments that align with your risk tolerance and your financial plan.

When do you have to take money out of an RRSP?

By the end of the year you turn 71, you have to decide what to do with your RRSP. But, you don't necessarily need to withdraw all your savings at once and pay a large tax bill. One choice to consider is converting some or all of your RRSP into an income-producing RRIF. That way, your savings can continue to grow tax-deferred, until you withdraw funds.

How can a RRIF help boost your tax savings?

Tax deferral means you won't have to pay tax on investments growing in an account until you take money out. The tax deferral you enjoyed with your RRSP continues with your RRIF.

How can you control your funds in retirement?

In many ways, a RRIF works like an RRSP in reverse. Instead of putting money in, you take income out.

You do have to make a minimum withdrawal every year. These withdrawals are subject to tax. There's no limit to how much you can withdraw. You can take as much as you want, when you want.

How can you leave money to your loved ones?

In most cases, you can name your spouse or common-law partner as a beneficiary. Then, your RRIF savings can go to their RRIF or RRSP when you die.

For more tips and tools, visit sunlife.ca.