



**REGISTERED RETIREMENT  
SAVINGS PLAN  
(RRSP)**  
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## What is an RRSP?

An RRSP is a retirement savings plan that you establish, that CRA (Canada Revenue Agency) registers, and to which you or your spouse or common-law partner contribute. Deductible RRSP contributions can be used to reduce your tax.

Any income you earn in the RRSP is usually exempt from tax as long as the funds remain in the plan; you generally have to pay tax when you receive payments from the plan.

You set up a [registered retirement savings plan](#) through a financial institution such as a bank, credit union, trust or insurance company. Your financial institution will advise you on the types of RRSP and the investments they can contain.

You may want to set up a [spousal or common-law partner RRSP](#). This type of plan can help ensure that retirement income is more evenly split between both of you. The benefit is greatest if a higher-income spouse or common-law partner contributes to an RRSP for a lower-income spouse or common-law partner. The contributor receives the short term benefit of the tax deduction for the contributions and the annuitant, who is likely to be in a lower tax bracket during retirement, receives the income and reports it on their Income tax and Benefits Return

You may want to set up a **self-directed RRSP** if you prefer to build and manage your own investment portfolio by buying and selling a variety of different types of investments. For more information on eligible investments, see [Self-directed RRSPs](#). If you are considering this type of RRSP, be sure to consult with your financial institution.

You make your RRSP contributions directly to the RRSP issuer. For more information, see [Contributing to a registered retirement savings plan \(RRSP\)](#).

Read more [here](#).