

➤ Spousal RRSP

2008-11-MAST

Rules Concerning The Transfer of Money In and Out

You can contribute whatever portion you like of your own RRSP contribution room to a spousal RRSP. Thus you can make the maximum allowable contribution either to your own plan or the spousal plan, or a combination of the two.

You can transfer funds from your RRSP to a spousal RRSP on a tax free basis in two circumstances: first, on your death, provided your plan has not matured and your spouse is named as beneficiary and, second, in the case of marriage breakdown where you and your spouse are no longer living together and a court has ordered the division of your RRSP.

If the holder of a spousal plan cashes it in during the year a contribution was made or in the prior two years, the contributing spouse will be liable for any resulting tax. Even if spousal contributions were made more than three years ago, the withdrawal will be treated as the contributor's income. And, even if the spousal plan contains contributions made by both spouses and the holder of the spousal plan withdraws only part of the funds, the contributing spouse will still pay tax on any amounts up to the amount of contributions made during the year and the last two years.

Your spouse cannot withdraw money directly from your RRSP per se. In some cases such as death, or marriage breakdown, some or all of your RRSP assets could be rolled directly into your spouse's RRSP and then withdrawn.

If you have questions regarding spousal RRSPs or any other financial matter, please give me a call. I'm here to help.

At DundeeWealth, we believe that having a financial plan forms the foundation necessary to grow, protect and transfer wealth from one generation to the next. We are committed to provide information on a variety of financial planning topics so our clients are able to make informed decisions.

The information contained in this publication was obtained from sources believed to be reliable; however, DundeeWealth, its affiliates, directors, officers, and officers or directors of its affiliates cannot guarantee its accuracy or completeness. This publication is for informational purposes only and should not solely be relied upon. Please consult your professional tax or legal advisor for advice related to your specific situation.

INSIGHTFUL ➤ INTIMATE ➤ INFORMATIVE ➤ INSPIRED

Insightful
WEALTH GROUP

Insightful Wealth Group, DWM Securities Inc.,
309 - 5455 152nd Street, Surrey, B.C. V3S 5A5
T. 604-575-6911 claliberte@dundeewealth.com
www.insightfulwealthsolutions.com

DUNDEEWEALTH 