

# RRIF Payout Schedule

## Minimum annual RRIF payment

A minimum amount must be withdrawn annually from your RRIF starting in the year after it is opened. Your minimum annual payment is based on your age (as of January 1<sup>st</sup> in the year of withdrawal) and is calculated as a percentage of your RRIF's value at the beginning of each year. If you have a spouse/partner, you may use their age to determine the minimum annual withdrawal. If your spouse/partner is younger than you, this will result in a minimum withdrawal amount that is lower than if the amount was calculated based on your age.

### RRIF Withdrawals

For example, if you were 73 years old on January 1<sup>st</sup> and had \$100,000 in your RRIF, the minimum amount you would have to withdraw this year would be:

$$\$100,000 \times 5.53\% = \$5,530$$

If you only withdraw the required minimum amount, there will be no withholding tax deducted from your payment. However, the amounts withdrawn from your RRIF must be included as income for tax purposes for the year of the withdrawal which will be subject to income tax depending on your marginal tax rates and any available tax credits or deductions. If you take more than the minimum amount out of your RRIF, you will be subject to withholding tax. When you prepare your annual income tax return, the tax withheld is reported as tax already paid.

Minimum Annual RRIF Payments (as a percent value of the fair market value of assets at the beginning of year)	
Age (as of January 1 <sup>st</sup> )	Payout Percentage
65	4.00
66	4.17
67	4.35
68	4.55
69	4.76
70	5.00
71	5.28
72	5.40
73	5.53
74	5.67
75	5.82
76	5.98
77	6.17
78	6.36
79	6.58
80	6.82
81	7.08
82	7.38
83	7.71
84	8.08
85	8.51
86	8.99
87	9.55
88	10.21
89	10.99
90	11.92
91	13.06
92	14.49
93	16.34
94	18.79
95	20.00
96	20.00
↓	↓

### RRIF Formula Prior to Age 71

The following RRIF formula is used to determine your minimum RRIF payments if you are 70 years or younger. For example, on January 1<sup>st</sup>, if you were 65 years old and had \$100,000 in your RRIF, the minimum you would have to take out this year is \$4,000 or \$100,000 divided by 25 (90 - 65).

$\frac{\text{Value of RRIF at Beginning of Year}}{90 \text{ minus Your Age at the Beginning of the Year}} = \text{Minimum Annual Payment}$
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To make things easier for you, on the chart on the front page, we've done the math back to age 65. If you want to begin your RRIF even earlier, you will need to apply the above formula.

While you may make a withdrawal in the year you open your RRIF, you are not required to do so. Your first required RRIF payment will be calculated on January 1<sup>st</sup> of the year after you open the plan. You then have until the end of the year to make your minimum annual withdrawal. But if you do make a withdrawal in the first year, it will be subject to withholding tax.

### Spousal RRIF

If you have a Spousal RRSP that you have converted to a RRIF, you do not have to wait three years from the time of the last contribution to make a withdrawal as long as you only withdraw the minimum amount. If you withdraw more than the minimum amount, the excess amount will be subject to the three year attribution rule and may be taxed in your spouse's hands.

**For more information, please speak with your BMO financial professional.**



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