

RRSP Is One Of The Solution For 70% Of Canadian Who Don't Have Retirement Plan

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Brampton, Ontario Mar 20, 2023 ([Issuewire.com](https://www.issuewire.com)) - The uncertain economy has seen many Canadians change their retirement and savings plans compared to the previous year. A Registered Retirement Savings Plan (RRSP) is a smart financial tool many should utilize to set themselves up for a

better financial future. However, there are various rules to be aware of, like the contribution limits, deadlines and much more. On average, Canadians need \$756,000 for a comfortable retirement and will likely need 70-80% of pre-retirement salary in retirement. Initially, it might be daunting, but once you get to grips with the basics, an RRSP will make saving for retirement stress-free. If you are looking for a Registered Retirement Savings Plan in Brampton, connect with Canadian L.I.C. Inc for quick quotes.

RRSP contribution limit:

You can contribute 18% of your earned income in the previous year. The annual RRSP limit for 2022 is \$29,210.

The Canada Revenue Agency generally calculates your RRSP deduction limit as follows: the lesser of

- 18% of the earned income you reported on your tax return in the previous year.
- The annual RRSP limit: as listed on the previous year's tax return, up to a maximum of \$29,210 plus any contribution room carried.

Benefits of RRSP?

A [Registered Retirement Savings Plan](#) (RRSP) is a type of savings plan that is registered with the government of Canada. It is intended to help Canadians save for their retirement. Contributions made to an RRSP are tax-deductible, and any investment income earned within the plan (such as interest, dividends, or capital gains) is not taxed until it is withdrawn.

- Tax benefits: Contributions to an RRSP are tax-deductible, which can lower your taxable income and increase your refund.
- Investment growth: The money in your RRSP can grow tax-free until you withdraw it, which can help your savings grow faster.
- Flexibility: You can choose from a variety of investment options, including stocks, bonds, mutual funds, and GICs. And withdrawals can be made at any age.
- Control over your savings: You have control over the investments in your RRSP and can make changes as needed.
- Saving for retirement: RRSP is a great way to save for your retirement and ensure a stable financial future.
- Protected From Creditors: A little-known benefit, RRSP savings are protected from creditors, this includes claims from lawsuits or bankruptcy. Just like a pension, your RRSP can't be used to cover liabilities from either a lawsuit or bankruptcy.

If you are looking to get started on your savings journey or adjusting to deal with a change due to financial situations, bear in mind – there is no universal plan when it comes to saving for retirement.

"Upon withdrawing money from RRSP account, there would be tax consequences, but to save taxes, clients can transfer money to Registered Retirement Income Fund (RRIF)."" said Harpreet Puri, Canadian LICs CEO.

About Canadian LIC

[Canadian LIC](#) has been helping clients with their insurance and investment needs over the last two decades. With our experience and expertise, we have been recognized as one of the most trusted insurance brokers in GTA, Ontario. You can rest assured; that our team of professionals has the

knowledge to help secure the right insurance plan based on your specific needs. We can help you make a well-informed decision and offer expert advice on the insurance you need.

In recent years we have also reached the clientele and educated them about the tax benefits of investing in RRSP and securing their retirement where they are not dependent on government retirement income or family.

To find out more details or for further enquiries on RRSPs, visit our website or set up an initial consultation with our team today.

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