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# Your retirement

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## What is an RRSP?

With a Registered Retirement Savings Plan (RRSP), you can defer income tax on your investments until you retire. Your investment grows tax-free until you begin making withdrawals. Since your tax rate at retirement will probably be less than your current rate, you will have a better chance of maintaining the lifestyle you are accustomed to. You may choose from a range of RRSP-eligible investments (GICs, mutual funds, stocks, etc.).

## Who can contribute to an RRSP?

Any Canadian citizen aged between 18 and 69 with eligible income may contribute to an RRSP.

## Which investments are RRSP-eligible?

Almost all investment types are eligible for RRSPs: mutual funds, guaranteed investment certificates, stocks, bonds, stripped coupons, etc. Financial products such as put options and futures are subject to some restrictions.

### Eligible Investments

Eligible Investments			
Asset class	Canadian content	Foreign content	Foreign exposure counted as Canadian content
Cash and equivalents	<ul style="list-style-type: none"> <li>Canadian dollars</li> <li>Federal or provincial reasury bills</li> <li>Bankers acceptances</li> <li>Government of Canada and provincial savings bonds</li> <li>Canadian money market investment funds</li> </ul>	<ul style="list-style-type: none"> <li>Foreign money market investment funds</li> <li>Foreign government-issued treasury bills</li> </ul>	
		*Foreign-currency denominated deposits	

### See also:

- Our [financial publications](#) are filled with relevant information.
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- Our [financial calculators](#).

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Fixed income	<ul style="list-style-type: none"> <li>Canadian bank/trust company GICs and term deposits</li> <li>Negotiable bonds and debentures issued by the Government of Canada, the provinces, municipal bodies and Crown corporations</li> <li>Bonds of corporations listed on Canadian exchanges</li> <li>Bonds issued by unlisted Canadian public corporations</li> <li>Mortgages on Canadian property</li> <li>Bond or mortgage investment funds</li> </ul>	<ul style="list-style-type: none"> <li>Foreign government-issued bonds with an investment grade rating</li> <li>Bonds issued by foreign corporations that are listed on prescribed stock exchanges</li> <li>Foreign bond investment funds</li> </ul>	<ul style="list-style-type: none"> <li>Negotiable bonds and debentures issued in foreign currency by the Government of Canada, provincial governments, municipal bodies and Crown corporations</li> <li>Negotiable bonds issued by certain supra-national organizations such as the World Bank</li> <li>Investment funds that hold foreign currency bonds from Canadian and supra-national issuers</li> </ul>
Equities	<ul style="list-style-type: none"> <li>Shares of corporations listed on Canadian exchanges</li> <li>Canadian equity investment funds</li> <li>Shares of <a href="#">eligible Canadian private corporations</a></li> <li>Shares in provincial venture-capital corporations</li> </ul>	<ul style="list-style-type: none"> <li>Foreign stocks listed on prescribed exchanges</li> <li>Foreign equity investment funds</li> </ul>	<ul style="list-style-type: none"> <li>Derivative-based investment funds</li> </ul>
Multi-class or special	<ul style="list-style-type: none"> <li>Balanced investment funds</li> <li>Certain warrants, rights and options</li> <li>Real estate investment trusts and royalty trusts</li> </ul>	<ul style="list-style-type: none"> <li>Limited partnership units listed on a Canadian stock exchange</li> </ul>	<ul style="list-style-type: none"> <li>Index-linked GICs</li> </ul>

#### Ineligible Investments

An RSP is not allowed to hold:

- Precious metals such as gold and silver bars
- Futures contracts
- Works of art, jewellery or other collectibles
- Employee stock options
- Uncovered call options
- Real estate

Nevertheless, certain items on this list - such as precious metals and real estate - may be held indirectly through investment funds, investment trusts and royalty trusts.

\*Note that although the Income Tax Act now allows foreign-currency deposits as an eligible investment under the 30% foreign-content allowance, to date no financial institution has developed the capability of holding more than one currency in an RSP account.

## Contribution amount

After you filed your last income tax return, you received a Notice of Assessment from the federal government. "Your RRSP deduction limit for 200x" is indicated on the second-to-last line of the notice. This is the amount you are advised to contribute during the current year or within the first 60 days of the following year in order to qualify for an income tax deduction.

Note that your unused RRSP contributions since 1991 are carried forward indefinitely; this amount is indicated under "Unused RRSP deduction limit at the end of 200x" and is included in the calculation of your maximum deductible amount.

To find out how to calculate your maximum RRSP contribution or any other information, log onto the [Canada Revenue Agency](#) website.

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