

Important Options Regarding Registered Retirement Savings Plans (RRSPs) and Registered Retirement Income Funds (RRIFs)

In June 2007, the federal government approved changes to the maturity age of Registered Retirement Savings Plans (RRSPs). Before these changes, you had to convert your RRSP to a retirement income option such as a Registered Retirement Income Fund (RRIF) by the end of the year you turned 69. You now have until December 31 of the year you turn 71 to make the conversion. You can continue to make contributions to an RRSP until the end of the year you turn 71, as long as there is contribution room available.

What's Changing and Why

The maturity age for RRSPs has increased from 69 to 71 in the recently approved Federal Budget. As a result, anyone that turns 69 in the year 2007 is not required to convert to a RRIF until December 31, 2009.

This change impacts RRSP owners who will be 69, 70 or 71 by December 31, 2007. You have important options to consider and will fall under one of the following scenarios.

1. **If you are 69 and have not yet converted to a RRIF, you do not need to do anything.** You can continue to contribute to your existing RRSP, provided you have contribution room, until the end of the year you turn 71. If you do not wish to keep an RRSP, you can convert to a RRIF at any time.

2. **If you are 69, 70 or 71 and have already converted to a RRIF, you have the following choices to consider.**
 1. Leave your RRIF as is and continue receiving your minimum payment. No action is required.
 2. Stop your future minimum payments.
Once you choose to stop your minimum payment, it cannot re-start until the year you turn 72.

These are important decisions and FirstOntario Credit Union is available to help you every step of the way. We are here to answer any questions or concerns you may have and walk you through each option available, so that you make the decision that is best for you.

Please call 1-800-616-8878 today to arrange an appointment to speak with a Member Consultant.