



Re-Contribution of 25% of RRIF Withdrawals

In response to the recent sharp decline in financial markets, the government has introduced legislation to allow Canadian seniors¹ to reduce by 25% the minimum amount that the individual must withdraw from their registered retirement income fund (“RRIF”) for 2008.²

Since the legislation only was enacted by Parliament on March 12, 2009, many seniors did not reduce their 2008 RRIF withdrawals. Accordingly, where an individual withdrew more than the new reduced minimum amount in 2008, the excess (up to the original minimum amount) can be re-contributed and a deduction may be claimed on this amount for 2008. This amount can be re-contributed to any of the individual’s RRIFs, life income funds or other locked-in RRIFs. A re-contribution can also be made to a registered retirement savings plan (“RRSP”) if the individual is 71 years of age or younger at the end of the year in which he or she makes the contribution.

The re-contribution must be made on or before April 14, 2009. Individuals who wish to make a re-contribution should contact their financial institution.

The government has not yet indicated whether a similar measure will apply for 2009.

¹ Generally RRIF annuitants are age 72 years or older. However, the new rules apply to all RRIF annuitants, regardless of their age.

² Similar rules apply to variable benefit money purchase Registered Pension Plans.