RRIF Strategies and Minimum Withdrawals

A Practical Guide to Converting Your RRSP and Managing Withdrawals.

By the end of the year you turn 71, your RRSP must be converted to a Registered Retirement Income Fund (RRIF) or another income option. From there, the government requires a minimum withdrawal every year, and those withdrawals are fully taxable.

Understanding the rules, and planning your withdrawals carefully, can reduce your tax bill and help protect benefits like OAS.

The RRIF Basics

A RRIF keeps your savings invested while turning them into retirement income.

Your investments continue to grow tax-deferred inside the RRIF, and you withdraw income as needed above the annual minimum. You must convert your RRSP by December 31 of the year you turn 71, with the first mandatory withdrawal in the following year.

Key RRIF Strategies

- **Use a younger spouse's age** — Basing the minimum on a younger spouse's age lowers your required withdrawal and keeps more invested.
- **Plan withdrawal timing** — Coordinating RRIF income with CPP, OAS, and pensions can smooth your tax bill.
- **Watch the OAS clawbacks** — Large RRIF withdrawals can push income over the clawback threshold, reducing OAS.
- **Consider early withdrawals** — Drawing modest amounts before 72 can lower future minimums and lifetime tax.
- **Move surplus to a TFSA** — Amounts you do not need can continue to grow tax-free inside a TFSA.

RRIF Minimum Withdrawal Rates (2026)

Age (Jan 1)	Minimum %	On a $500,000 RRIF
65	4.00%	$20,000
71	5.28%	$26,400
75	5.82%	$29,100
80	6.82%	$34,100
85	8.51%	$42,550
90	11.92%	$59,600
95+	20.00%	$100,000

CRA prescribed RRIF minimum withdrawal rates (2026)

Managing the Tax on Withdrawals

RRIF withdrawals are taxed as ordinary income, on top of your other income.

Because withdrawals stack on CPP, OAS, and pensions, they can push you into a higher bracket or trigger the OAS clawback. Spreading income evenly, splitting eligible pension income with a spouse, and using the pension income credit can all help reduce the tax you pay.

You Can Always Take More

The minimum is a floor, not a ceiling. You can withdraw more than the minimum whenever you need to, though larger withdrawals mean more tax. Any funds you do not need can be redirected to a TFSA to keep growing tax-free.

How We Help With RRIF Planning

A RRIF is often a retiree's largest source of taxable income. We help you convert at the right time, choose a smart withdrawal strategy, and coordinate it with your other income to reduce tax and protect your OAS.

Pax Portfolio Advisory Team

We're delighted that you are interested in learning more about our services. The name PAX is Latin for peace, and our goal over more than 50 years of combined experience has been to simplify your wealth and provide you with lasting peace of mind.

Trixie Rowein,
B.COMM, FMA, CFP®, CIM®
Senior Portfolio Manager, Financial Advisor

Known for her commitment to community and clients for 25 years at Raymond James. Responsible for **investment strategy, client communication, educational seminars,** and **charitable initiatives**. She specializes in guiding clients through life transitions, including retirement and loss of a spouse. Trixie has two daughters and speaks Spanish. She enjoys travelling, gardening and scrapbooking.

Taylor Cooper,
B.COMM, CIM®, TEP
Associate Portfolio Manager, Financial Advisor

Works closely with clients to implement **comprehensive financial** and **estate plans**. He also facilitates **portfolio management, trade execution**, and conducts **stock market analysis.**Taylor previously played semi-professional hockey in the Western Hockey League and later competed as a student-athlete with the University of Alberta Golden Bears.

Matthew Moellenbeck
Licensed Financial Advisor Assistant

Responsible for managing **all client account information**, coordinating **regular income distributions**, and **developing financial plans**. He's currently working towards his CFP designation and serves as the primary point of contact for all client inquiries. Outside of work, Matt enjoys staying active, whether it's hiking, running, or cross-countryskiing, in addition to playing in a band.

Wendy Hildebrandt
Investment Advisor Assistant

Supports the team with **administrative tasks, account openings,** and managing **documentation.** Her commitment to delivering exceptional customer service ensures that every client receives the highest level of care. Wendy values community and volunteer work, and in her free time, she enjoys crafting and spending quality time with her family.

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