Tax-Efficient Retirement Withdrawals

A Practical Guide to Keeping More of Your Retirement Income.

In retirement, it is not just how much you have, but how you draw it that determines how much you keep. The order in which you withdraw from your accounts, and how you split income with a spouse, can significantly lower your lifetime tax.

A tax-efficient withdrawal strategy helps stretch your savings further and protect income-tested benefits like OAS.

Why Withdrawal Order Matters

The same savings can produce very different after-tax income depending on how you draw them.

Registered accounts (RRIFs, TFSAs) and non-registered accounts are each taxed differently. Drawing from them in a thoughtful order, rather than emptying one at a time, can keep you in lower tax brackets and reduce the total tax you pay over retirement.

Core Tax-Saving Strategies

- **Pension income splitting** — Splitting eligible pension and RRIF income with a spouse can lower your combined tax.
- **Pension income credit** — Eligible pension income can qualify for a federal and provincial tax credit.
- **TFSA withdrawals** — Tax-free and do not count toward income, making them useful in higher-income years.
- **Managing the OAS clawback** — Keeping net income below the threshold preserves your full OAS.
- **Timing capital gains** — Realizing gains in lower-income years can reduce the tax you pay on them.

How Each Account Is Taxed on Withdrawal

Account	Tax on Withdrawal	Planning Note
RRIF / RRSP	Fully taxable as income	Watch impact on OAS clawback
TFSA	Not taxable	Ideal for high-income years
Non-registered	Gains and dividends taxed	Favourable tax on eligible dividends
CPP / OAS	Taxable	OAS subject to recovery tax

How different accounts are taxed when you withdraw

Splitting Income With a Spouse

Pension income splitting is one of the most powerful tools available to retired couples.

You can allocate up to half of eligible pension income, including RRIF income after age 65, to a lower-income spouse. This can reduce your combined tax bill, help both partners use their credits, and lower the risk of an OAS clawback.

Coordinating the Whole Picture

The biggest savings come from looking at all your income sources together, year by year. Coordinating RRIF withdrawals, CPP and OAS timing, TFSA use, and capital gains helps smooth your income and minimize tax across your whole retirement.

How We Help With Tax-Efficient Withdrawals

Small changes to how you draw your income can add up to significant tax savings over retirement. We work with you and your accountant to build a withdrawal strategy that lowers your lifetime tax and helps your savings last longer.

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.

PAX PORTFOLIO ADVISORY | RAYMOND JAMES®

10060 Jasper Ave, Suite 2300 — Scotia Place Tower 1, Edmonton, AB T5J 3R8 • 780.414.2550 • paxportfolioadvisory.ca