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Ten tips to help you make the most of your RRSP …..

(Extract from September, 2008 Newsletter)

Because it allows you to defer tax on both capital (the amount you initially invest) and returns (the money your investments generate), an RRSP is one of the best ways to save towards having a long and happy retirement.

1. ***Know the deadline***

The deadline for making your 2008 RRSP contribution is March 1, 2009.

2. ***Make your maximum contribution***

You can find your maximum in the RRSP Deduction Limit Statement on your latest Notice of Assessment or Notice of Reassessment. If you can't contribute your maximum this year, you can still contribute at a later date. The sooner you do it, however, the longer your money will have to grow.

If you have unused RRSP contribution room left over from previous years, consider taking out a short-term RRSP loan to catch up. Most RRSP loans are offered at extremely attractive rates (prime or close to it) and can be arranged on very short notice. Check your financial institution for details.

3. ***Consider an over contribution***

Federal guidelines allow you to contribute up to $2,000 over your normal RRSP limit during your lifetime, with no penalty. You won't be able to claim it as a deduction, but the return on that $2,000 can make a big difference over the lifetime of your plan.

4. ***Establish a regular contribution schedule***

Technically, you have an additional 60 days at the start of the following calendar year to make your RRSP contribution. But it can be difficult to find the cash — especially after the holiday season. Instead, set up a regular schedule of contributions. You'll get an even greater advantage if you can deposit some or all of your contribution early in the year — for example, if you receive a bonus at work.

5. ***Don't forget foreign content***

Remember that Canada provides only about 3-4% of the world's investment opportunities. To reduce risk and increase the possibility of better returns, include investments in other countries in your portfolio.

6. ***Rebalance***

Your portfolio should have a mix of different types

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of investments designed to meet your particular needs. But since those investments will grow at different rates, you'll need to check your portfolio at least once a year to make sure you've got the right balance. If not, you'll need to rebalance it by selling some types of investments and/or buying other types.

7. ***Remember your birthday***

Under federal guidelines, all RRSP holders must wind up their RRSPs at the end of the year in which they turn 71. You have a number of options:cash out your RRSP in its entirety use the funds to purchase an annuity roll your RRSP into a RRIF. Check with an advisor to see which option or combination of options is right for you.

8. ***Make a contribution "in kind"***

If you're short on cash but have investments outside your RRSP, you can contribute by rolling them into your RRSP. The market value of those investments will be treated as your contribution.

9. ***Consider a spousal RRSP***

If you and your spouse or partner have unequal incomes, you can probably save tax in several ways using this approach. You'll need to set up the spousal RRSP long before you retire to get the benefits, so talk to an advisor now.

10. ***Seek professional help***

Working with a financial advisor can help you feel more confident and ensure you have enough income in retirement to keep doing the things you love. It’s never too late, but the sooner you start, the better.

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