

RRSP's: A Tally of Advantages and Disadvantages

Feature	Advantage for Well-off	Disadvantage for Poor
Tax deduction	Increases with income	Has little (or no) value
RRSP 'deadline'	Often relevant	Irrelevant
Investment advisors	Plentiful; most knowledgeable	Few; most ill-informed
Publicity	Relevant, timely	Irrelevant, often wrong
Prevalence of taxable income (amount & form)	Greater during working years	Greater during retirement years
Tax liability at retirement	Lower than pre-retirement years	Higher than pre-retirement years
Seniors' benefits clawbacks	OAS at high thresholds, low tax-back	GIS at low threshold, high (50%) tax-back
RRSP loans	Early payback through refund; well-off pay less	No refund, poor pay more for loan

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