Thinking of withdrawing money from your Registered Retirement Savings Plan (RRSP)?

Maybe if...

- It's for investing in your future through government programs like the Home Buyers' Plan or the Lifelong Learning Plan. You can re-contribute the money you withdraw over time.
- This is a one-time emergency withdrawal.

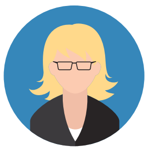
Maybe not if...

- You have other non-registered savings you could use instead.
- The money is for a want, not a need.
- You're transferring from your plan to a bank. Did you know that you get competitive fund management fees in your workplace plan?

It's only $1,000. How could this affect my retirement?

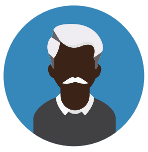
Taking out $1,000 today means, by the time you retire, you may **lose out on:**

Early career (25)
$14,432
or $60 per month for life



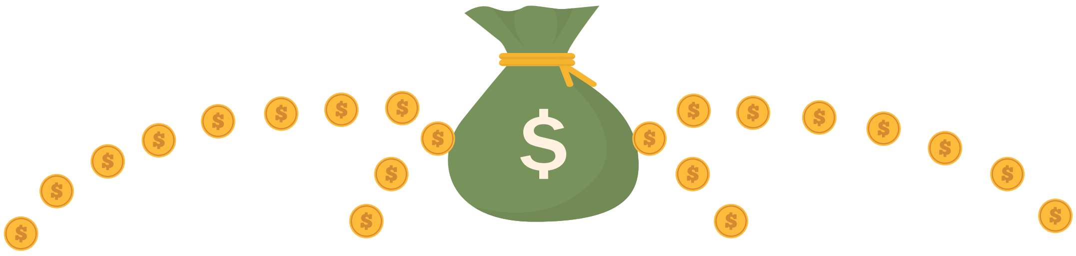
Mid career (35)
$8,860
or $37 per month for life

Late career (50)
$4,264
or $18 per month for life



Assumptions: you have $10,000 already invested, you make $40,000 each year, you contribute $800 per year to the RRSP, you retire at age 65, you average a 5% rate of return and live until age 85.

RRSP withdrawals before retirement come with some drawbacks



You usually pay tax on anything you withdraw.

- The amount of tax depends on how much you take out.
- In general, all cash withdrawals will have tax taken off before you receive your money. This is called withholding tax.*.
- Withdrawals are generally part of your taxable income. This means you may need to pay more when you do your taxes.

You'll never get that contribution room back. Once you use it outside of a government program (e.g. the Home Buyers' Plan), you lose it!

Withdrawals create a gap in your retirement savings. Withdrawing early in your career gives that gap an even longer time to compound, which means you lose out on a lot more potential investment growth.

Withdrawing later in your career means you have less time to put that money back in, and fix the gap in your retirement savings.

* Withholding tax may not be your final income tax obligation. When you file your tax return, you must report the full amount of the withdrawal as taxable income.
Please note: examples shown are for illustrative purposes only. Your individual circumstances should be taken into consideration when making financial decisions.

Before taking out your money

Try using our **Withdrawal Calculator** to help you decide if a withdrawal is worth it. Find it by signing in to **mysunlife.ca** and selecting **Manage plan** > **Tools** > **Tools & calculators**.

You can get more information about how much you can withdraw, the witholding tax and any impacts to employer contributions, by heading to **sunlife.ca/contact-us**.

Life's brighter under the sun

Sun Life