

Turning 71 with an RRSP: the RRIF minimum, a younger spouse, and what counts as income

An RRSP has to be cashed out, moved to a RRIF, or used to buy an annuity by December 31 of the year its owner turns 71. A RRIF then pays a yearly minimum set by a CRA table, starting at 5.28% of the balance at age 71. Every dollar taken out of a RRIF counts as income for the Guaranteed Income Supplement and the OAS recovery tax.

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An RRSP has to change form by the end of the year its owner turns 71

A registered retirement savings plan (RRSP) is designed to collect savings, not to pay them out for life. The Canada Revenue Agency (CRA) says that in the year a person turns 71, they have to choose one of three options for their RRSPs ¹. The deadline is December 31 of that year.

- The owner can withdraw the money. The RRSP issuer withholds tax, and the amount is reported as income on line 12900 of that year's return ¹².
- The owner can transfer it to a registered retirement income fund (RRIF). A RRIF is a plan that pays money out every year. No tax is withheld on a direct transfer ¹.
- The owner can use it to buy an annuity, which is a contract that pays a set income. No tax is withheld on the purchase either ¹.

The second and third options delay tax rather than avoid it. Payments that come out of a RRIF or an annuity are taxed in the year they are received ¹. A full withdrawal puts the whole balance on one year's return, which can raise the tax rate on part of it and affect

income-tested benefits for that year.

The RRIF minimum starts in the year after the RRIF is set up

A RRIF has no required payment in the year it is opened. The CRA says the yearly minimum starts in the year after the year the RRIF is set up³. Someone who converts at 71 therefore takes a first required payment in the year they turn 72. Withdrawing more than the minimum is allowed, but withdrawing less is not³.

The minimum is the value of the RRIF on January 1, multiplied by a factor for the owner's age at the start of the year³⁴. The CRA publishes these factors in a chart. For most RRIFs, the chart lists these factors⁴.

- Age 71: 0.0528, or 5.28%.
- Age 75: 0.0582, or 5.82%.
- Age 80: 0.0682, or 6.82%.
- Age 85: 0.0851, or 8.51%.
- Age 90: 0.1192, or 11.92%.
- Age 95 or older: 0.2000, or 20%.

A RRIF worth \$100,000 on January 1, held by someone who was 71 at the start of that year, has a minimum of \$5,280 for the year. Under age 71, the factor is 1 divided by 90 minus the age⁴. At 65, that works out to 1 divided by 25, or 4%.

A younger spouse's age lowers the minimum only if chosen before the first payment

The CRA allows the minimum to be based on the age of a spouse or common-law partner instead of the owner's own age³. A younger spouse means a smaller factor and a smaller required withdrawal. Using the figures above, a \$100,000 RRIF based on a 65-year-old spouse has a minimum of \$4,000 rather than \$5,280.

The timing of this choice is set in the Income Tax Act. The spouse's age can be used if the owner elects it before any payment has been made from the fund ⁵. The financial institution that holds the RRIF, called the carrier, works out the minimum each year ³.

The spouse's age sets only the required minimum. The owner can still withdraw more in any year, and the money stays the owner's own.

Tax is withheld only on the part above the minimum

The carrier does not withhold income tax from the minimum amount. Tax is withheld from payments that are more than the minimum ⁶. Outside Quebec, the CRA sets these rates for that extra part ⁶:

- 10% on amounts up to \$5,000.
- 20% on amounts over \$5,000 up to \$15,000.
- 30% on amounts over \$15,000.

The federal rates for Quebec residents are 5%, 10%, and 15% ⁶. Withholding is a prepayment, not the final amount of tax. The real tax depends on total income for the year and is settled on the tax return. Someone who takes only the minimum can owe tax when filing, because nothing was withheld during the year.

RRIF payments count as income for the GIS and the OAS recovery tax

RRIF payments are reported on a T4RIF slip and go on line 11500 or line 13000 of the return ³. From that point they are ordinary income. Two federal benefits for seniors look at that income.

The Guaranteed Income Supplement (GIS) is a monthly payment for people with a low income who receive Old Age Security (OAS). The Old Age Security Act measures income as calculated under the Income Tax Act, minus a short list of items such as OAS and GIS themselves ⁷. RRIF

withdrawals are not on that list. Service Canada lists the GIS income limit for a single person as less than \$23,112 a year for payments from October to December 2026, based on 2025 income⁸. GIS is based on income from the previous year⁹, so a large RRIF withdrawal can lower the GIS paid a year later.

The OAS recovery tax, often called the clawback, takes back 15% of net income above a yearly threshold¹⁰. The threshold is \$93,454 for 2025 income and \$95,323 for 2026 income¹⁰. Every RRIF payment is part of that net income, so a large lump sum can raise income above the threshold. The recovery tax is then withheld from OAS payments during the following July to June.

The minimum is the least that must come out each year. How much to take above it, and in which years, depends on each person's other income, and that decision belongs to the RRIF owner and their own advisers.

Notes

1. Canada Revenue Agency, "Options for your own RRSPs", page modified 2025-01-03. <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/rrsp-options-when-you-turn-71/options-your-rrsps.html> (accessed 2026-10-06)

2. Canada Revenue Agency, "Withdrawing from your own RRSPs", page modified 2026-01-29. <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/making-withdrawals/withdrawing-your-rrsps.html> (accessed 2026-10-06)

3. The same page says RRIF income received at 65 or older can be claimed for the pension income amount. Canada Revenue Agency, "Receiving income from a RRIF", page modified 2026-01-06. <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/registered-retirement-income-fund-rrif/receiving-income-a-rrif.html> (accessed 2026-10-06)

4. Factors from the column for RRIFs other than pre-March 1986 and qualifying RRIFs. Those older plans use different factors at some ages. Canada Revenue Agency, "Chart: Prescribed factors", page modified 2025-10-01. <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/completing-slips-summaries/t4rsp-t4rif-information-returns/payments/chart-prescribed-factors.html> (accessed 2026-10-06)

5. Definition of "minimum amount" in subsection 146.3(1). Justice Laws Website, Government of Canada, "Income Tax Act, section 146.3", current to 2026-09-21. <https://laws-lois.justice.gc.ca/eng/acts/I-3.3/section-146.3.html> (accessed 2026-10-06)

6. Canada Revenue Agency, "RC4157, Deducting Income Tax on Pension and Other Income, and Filing the T4A Slip and Summary", Rev. 25, page modified 2026-01-12. <https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4157/deducting-income-tax-on-pension-other-income-filing-t4a-slip-summary.html> (accessed 2026-10-06)
7. Definition of "income" in section 2. Justice Laws Website, Government of Canada, "Old Age Security Act, section 2", consolidated version. <https://laws-lois.justice.gc.ca/eng/acts/O-9/section-2.html> (accessed 2026-10-06)
8. Government of Canada, "Guaranteed Income Supplement: Do you qualify", page modified 2026-10-01. <https://www.canada.ca/en/services/benefits/publicpensions/old-age-security/guaranteed-income-supplement/eligibility.html> (accessed 2026-10-06)
9. Government of Canada, "Guaranteed Income Supplement: How much you could receive", page modified 2026-09-29. <https://www.canada.ca/en/services/benefits/publicpensions/old-age-security/guaranteed-income-supplement/benefit-amount.html> (accessed 2026-10-06)
10. Government of Canada, "Old Age Security pension recovery tax", page modified 2026-09-29. <https://www.canada.ca/en/services/benefits/publicpensions/old-age-security/recovery-tax.html> (accessed 2026-10-06)

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