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## Last minute year-end tax planning tips

By admin

According to a CIBC poll, 77% of Canadians don't think about their taxes until Dec. 31 or into the new year which is the reason why so many Canadians miss out on tax saving opportunities. But it's mid December so there is still time to put some tax savings options into place. Here are some tips to do that:

1. **Contribute early to your RRSP.** You have until March 2, 2020 to make a contribution to your RRSP for a deduction on your 2019 tax return but making it sooner will benefit your retirement long term.
2. **Convert to a RRIF before the end of the year end if you are 71 this year.** Before doing so, you can make a final contribution towards your RRSP. Also, if your spouse is younger, you have the option of calculating the minimum income amount based on their age to maximize your tax deferral.
3. **Withdraw RRSP funds when your income is lower.** If you need to

withdraw funds from your RRSP and your income in 2019 is lower than it will be in 2020, withdraw in 2019. RRSP withdrawals are fully taxable.

4. **Withdraw funds from your TFSA earlier.** If you are planning on withdrawing from your TFSA early in 2020, do it in 2019 in order that you will be able to re contribute the same amount in 2020.
5. **Convert to a RRIF earlier than required.** If you are over the age of 65 and without a company pension plan, setting up a RRIF to pay out just \$2,000 annually would enable you to take advantage of the pension credit which will make the withdrawal tax free.
6. **Donate to give back AND reduce your tax burden.** December 31st is the last day to donate and get a tax deduction for the year. Donations to a charity or foundation can include the gifting of publicly traded securities that have accrued capital gains This would also eliminate capital gains taxes.
7. **Tax Loss Selling.** Selling nonregistered investments that may have an accrued loss before the end of the year, can help offset any capital gains realized elsewhere in your portfolio. Any capital losses that you can't use can also be carried back 3 years or carried forward forever to offset net capital gains in other years.
8. **Start or contribute to an RESP.** RESPs allow for tax advantaged savings for post secondary education and attract free grant money from the federal government in the amount of 20% of the first \$2,500 of annual RESP contributions per child or \$500 per year.
9. **Start or contribute to an RDSP.** RDSPs are a powerful tool for the long-term financial security of those eligible for the Disability Tax Credit. RDSPs offer tax deferred savings, generous & free government grants and savings that do not impact other government income programs.

Your financial planner can provide more detail based on your situation. If you're not working with a Certified Financial Planner, please accept that as Tip Number 10!

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