

RRSP Season!

Every year, in the middle of winter, Canadians hear the same phrase again and again: **RRSP Season**. For some, it's a last-minute scramble to make a registered contribution before the deadline. For others, it's a planned step in a long-term financial strategy. Either way, **RRSP Season** is an important opportunity to strengthen your financial future and save on taxes.

Table of Contents

- [What is RRSP Season?](#)
- [Why Does RRSP Season Matter?](#)
- [Why RRSPs Are So Powerful](#)
- [Who Should Pay Attention to RRSP Season?](#)
- [The Easiest Way to Contribute to an RRSP](#)
- [Common RRSP Mistakes to Avoid](#)
- [How to Make the Most of RRSP Season](#)
- [Final Thoughts](#)

What is RRSP Season?

RRSP season refers to the period leading up to the **RRSP Contribution Deadline**, which usually falls on March 1st or the next business day if the 1st falls on a weekend (*in 2026 the deadline is March 2nd*). Contributions made during this window (*January to March*) can be deducted from your income for the **previous tax year**, potentially lowering the amount of tax you owe.

Why Does RRSP Season Matter?

An **RRSP (Registered Retirement Savings Plan)** is a government-registered account designed to help Canadians save for retirement. The key benefit is tax deferral: you don't pay tax on the money you contribute or the investment growth inside the account until you withdraw it, typically in retirement when your income, (and tax rate), may be lower.

Registered Retirement Savings Plans are different from the [Canada Pension Plan](#), which is a contributory Canada-wide pension plan for all qualifying Canadians. To read more about the CPP click [HERE](#).

Why RRSPs are so Powerful!

Registered Retirement Saving Plans offer two major advantages over traditional accounts:

1. Tax Deductions Today

Contributions reduce your taxable income. For example, if you earn \$60,000 and contribute \$5,000 to your RRSP, you're taxed as if you only earned \$55,000 in income. *That difference may result in a meaningful tax refund.*

2. Tax-Deferred Growth

Investments inside an RRSP—such as mutual funds, ETFs, stocks, or bonds—can grow **without** being taxed each year. Over time, this compounding effect may significantly boost your retirement savings!

Who Should Pay Attention to RRSP Season?

RRSP Season is especially important for individuals who:

- Earn a steady income and pay income tax
- Expect to be in a lower tax bracket in retirement
- Want to reduce their tax bill or increase their tax refund
- Are actively planning for long-term goals such as retirement

That said, RRSPs aren't always the best choice for everyone. Some people—especially those with lower incomes—may benefit more from a **TFSA (Tax-Free Savings Account)**. The right choice depends on your income, goals, and financial situation.

The Easiest and Most Efficient Way to Contribute to Your RRSP – an Automatic PAC Plan

The best way to contribute to your RRSP is through an automatic savings plan. It's called a PAC, or pre-authorized automatic contribution. Your financial advisor will arrange for a specific amount to be **automatically** withdrawn from your bank account on a weekly, biweekly, or monthly schedule and deposited into your RRSP. This provides a smooth and effortless way to save for retirement.

For example, if \$300 automatically goes into your RRSP each month through your new PAC, you'll quickly adapt to living on the remaining income. Within a few months, you won't even think about that \$300—it simply becomes part of your regular budget, like your phone bill or rent!

Common RRSP Mistakes to Avoid

RRSP Season happens fast, and often brings rushed decisions. Here are a few common mistakes to watch out for:

- **Waiting until the last minute**

Scrambling before the deadline can lead to missed tax saving opportunities. Planning in advance gives you more control. Setting up an automatic PAC will alleviate this stress.

- **Contributing without a plan**

An RRSP is a container, not an investment itself. Make sure your RRSP contributions are invested in a way that matches **your** risk tolerance and retirement time horizon.

- **Overcontributing**

The CRA (Canada Revenue Agency) sets annual contribution limits. Exceeding them can result in penalties, so it's important to know your available room. Checking your Notice of Assessment or CRA MyAccount can show you your unused contribution room.

- **Using refunds without purpose**

Many people spend their tax refunds instead of reinvesting it or using it to pay down debt. Putting tax refunds to work can accelerate your financial progress.

How to Make the Most of RRSP Season

To get the most value out of **RRSP Season**, consider these steps:

- **Review your contribution room** by checking your CRA account or Notice of Assessment
- **Set clear goals** for why you're contributing—retirement, tax savings, or both
- **Choose appropriate investments** inside your RRSP based on factors such as retirement timeline and risk tolerance
- **Think long-term**, not just about this year's tax return

RRSP Season doesn't have to be stressful. With a bit of planning, it can become a powerful annual habit that moves you closer to financial security.

Final Thoughts

The **RRSP Season** is more than just a deadline—it's a reminder to check in on your financial future. Whether you're making your first contribution or fine-tuning an established plan, using this time wisely can pay off for decades to come.

A thoughtful RRSP strategy today can mean more flexibility, comfort, and peace of mind tomorrow.

Your future self will thank you!