GUIDE 02

Retire Well in Canada

A plain-language guide to CPP, OAS, GIS, RRSP, RRIF, and building real financial security in your later years.

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Introduction

Many Canadians assume the government will cover their retirement needs through CPP and OAS. The reality is more nuanced — and the earlier you understand it, the better positioned you'll be to actually enjoy your later years without financial stress.

REALITY CHECK

Only 37% of Canadians are on track to retire comfortably at 65.

Most people aren't behind because they don't care — they're behind because nobody explained what "on track" actually looks like. That changes in this guide.

1. The Canada Pension Plan (CPP)

CPP is a contributory, earnings-based pension. If you've worked in Canada, you and your employer have been contributing through payroll deductions. The more you contributed and the longer you worked, the higher your monthly payment.

CPP Factor	Details
Standard start age	65
Earliest start age	60 (reduced 7.2%/year before 65 — max 36% less)
Latest start age	70 (increased 8.4%/year after 65 — max 42% more)
2024 maximum monthly CPP	Approximately $1,364.60
Average actual CPP received	Approximately $760/month
Survivor benefit	Up to 60% of your CPP to a surviving spouse

TJ'S TAKE

One of the most powerful retirement decisions you can make is simply waiting. Delaying CPP from 65 to 70 increases your monthly payment by 42% — permanently. If you have other income at 65, delaying CPP can mean tens of thousands of dollars more over your lifetime.

QUICK WIN

Log into My Service Canada Account at canada.ca to see your CPP statement. It shows projected payments at 60, 65, and 70 based on your actual contributions — the foundation of your retirement plan.

2. Old Age Security (OAS) and GIS

OAS is funded from general tax revenues and paid to Canadians who meet residency requirements. You don't need to have worked — you simply need to have lived in Canada for qualifying periods.

OAS Factor	Details
Eligibility age	65 (can defer to 70 for higher payments)
Residency requirement	10 years minimum for partial; 40 years for full OAS
2024 maximum (ages 65–74)	Approximately $713.34/month
2024 maximum (age 75+)	Approximately $784.67/month (10% top-up)
OAS clawback threshold	Net income over ~$90,997 triggers 15% recovery tax
Deferral increase	0.6% per month after 65 — up to 36% more at age 70

Guaranteed Income Supplement (GIS): An additional non-taxable monthly benefit for low-income OAS recipients. If annual income (excluding OAS) is below approximately $21,624 as a single person, you likely qualify. File your tax return every year to maintain eligibility.

REALITY CHECK

More than 2 million Canadian seniors receive GIS — many unaware they qualified for years.

File your tax return every year, even in retirement. Missing even one year's filing can interrupt GIS payments you've earned.

3. RRSP — Your Personal Retirement Engine

Contributions reduce your taxable income today, and investments grow tax-deferred until you withdraw — typically in retirement when you may be in a lower tax bracket.

Income	18% RRSP Limit	2024 Annual Max	Your Actual Limit
$40,000	$7,200	$31,560	$7,200
$80,000	$14,400	$31,560	$14,400
$140,000	$25,200	$31,560	$25,200
$200,000+	$36,000+	$31,560	$31,560 (capped)

QUICK WIN

If you receive a tax refund from RRSP contributions, reinvest it immediately. A $10,000 contribution might generate a $3,000–$4,000 refund. Reinvesting that refund compounds the benefit significantly over time.

The Home Buyers' Plan allows first-time buyers to withdraw up to $35,000 ($70,000 for couples) from RRSP tax-free for a home purchase, repayable over 15 years.

4. Converting Your RRSP to a RRIF

By December 31 of the year you turn 71, your RRSP must be converted to a RRIF. You continue to hold investments inside, but now you must withdraw a government-set minimum amount each year, added to your taxable income.

Age	Minimum %	On a $300,000 RRIF
71	5.28%	$15,840/year
75	5.82%	$17,460/year
80	6.82%	$20,460/year
85	8.51%	$25,530/year
90	11.92%	$35,760/year

TJ'S TAKE

A common strategy is to withdraw from your RRIF strategically to fill lower tax brackets, keeping OAS clawback at bay, and building up your TFSA with any excess withdrawals you don't need to spend.

5. The TFSA as a Retirement Tool

Unlike RRSP/RRIF withdrawals, TFSA withdrawals do not count as income — they won't trigger OAS clawback, affect GIS eligibility, or increase income-tested benefit calculations. This makes the TFSA a highly strategic source of tax-free retirement income.

QUICK WIN

In retirement, prioritize TFSA withdrawals for large one-time expenses. They won't push you into a higher bracket or trigger OAS clawback — unlike RRIF withdrawals.

6. Retirement Income at a Glance

Source	Taxable?	Flexible?	Key Notes
CPP	Yes	Partially	Delay past 65 for significantly more per month
OAS	Yes	Partially	Clawed back at high incomes; delay increases amount
GIS	No	No	Means-tested; very valuable for low-income seniors
RRIF withdrawals	Yes	Yes	Minimum annual withdrawals required
TFSA withdrawals	No	Yes	No impact on income-tested benefits
DB pension	Yes	No	Fixed income based on salary and years of service

Your Retirement Action Plan

1. Log into My Service Canada Account and review your CPP statement.

2. Check your RRSP contribution room at CRA My Account and set a monthly auto-contribution.

3. Open or top up a TFSA — TFSA withdrawals are invisible to the tax system in retirement.

4. Model CPP at 65 vs. 70 — the difference can be $100,000+ over your lifetime.

5. Research whether you will qualify for GIS based on your projected retirement income.

6. If you have a workplace pension, obtain your statement and understand the terms.

7. Review your investment mix — is it appropriate for your retirement timeline?

8. Build a written retirement income projection, even a rough one.

9. If approaching 71, understand the RRIF conversion rules and plan ahead.

10. Book a session with TJ to build a retirement income plan tailored to your numbers.

About Your Guide

TJ Tijani is a Canadian financial educator working with newcomers, young professionals, and families across Canada. His approach is straightforward: take complicated money topics and explain them in plain language that actually sticks.

TJ started WealthPath by TJ after seeing firsthand how many people were making costly decisions simply because no one had ever explained how the Canadian financial system works in a way that made sense. His sessions are built around the client's reality, not a script.

He covers topics ranging from budgeting and debt to tax efficiency, insurance, and retirement — always with education at the centre.

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