
Registered Retirement Income Funds (RRIF)* minimum withdrawal

On March 18, 2020, Finance Canada announced a 25% reduction in the minimum amount that must be withdrawn from RRIFs* for the year 2020. The Canada Revenue Agency (CRA) published, on March 30, a series of questions and answers that can be found here: [Questions and Answers](#).

IMPORTANT

Question 3 provides that an annuitant who has already withdrawn the regular (unreduced) minimum will not be able to recontribute to his/her RRIF the difference between the regular minimum and the reduced minimum.

- Question 3: “Will individuals who have already withdrawn more than the reduced 2020 minimum amount be permitted to recontribute to their RRIFs an amount up to the 25% proposed reduction?”
- Answer: No. Individuals who have already withdrawn more than the reduced 2020 minimum amount will not be permitted to recontribute to their RRIFs an amount up to the 25% proposed reduction.

ADVICE

As soon as possible, clients who have provided instructions to withdraw the minimum should be contacted promptly to obtain their preference regarding the choice of receiving the regular minimum or the reduced minimum. We recommend suspending withdrawals pending their responses, given that it is not possible to recontribute to the RRIF or correct the RRIF withdrawal.

Our systems will retain the regular minimum unless the customer provides instructions to use the reduced minimum. A Flash Admin communiqué describing the detailed operational instructions for the process that is being established specifically for the year 2020 will be issued shortly for the NBFWM and Private Banking 1859 sales forces. In addition, a list of their clients containing the various amounts will also be sent to these advisors before the end of the week.

* The reduction applies to all types of RRIFs, including Life Income Funds (LIFs).