



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

Election Proposal Costing

Increasing the conversion date for Registered Retirement Savings Plans/Registered Retirement Income Funds

April 22, 2025

Increasing the date at which Registered Retirement Savings Plans (RRSPs) must be converted to Registered Retirement Income Funds (RRIFs) from 71 to 73 years of age.

Cost of Proposed Measure

Fiscal year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
Total cost \$ millions	676	1,066	1,063	1,066	1,061	4,933

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

The proposed measure would allow couples where the younger partner is 72 or 73 at the start of the year to contribute to an RRSP when they would not otherwise be permitted to do so, resulting in a tax deduction reducing personal income tax revenues. It would also allow RRSP holders turning 72 or 73 in a year to delay receiving payments, resulting in lower taxable incomes reducing personal income tax revenues. However, additional RRSP contributions and forgone RRIF payments would result in higher RRIF balances, increasing taxable payments and resulting personal income tax revenues at ages 74 and up. Uptake, contributions and payments were projected based on their trend by age leading up to 71. Incremental contributions and resulting forgone tax revenues were projected using the PBO's Election Proposal Costing baseline. Incremental RRIF balances for those 74 and up were assumed to be paid out at the minimum rate by age plus average excess payments. Costs were summed for the age cohorts affected in each year. No additional behavioral responses were included.

Sources of Uncertainty

The main sources of uncertainty are uptake, potential interactions with social benefits and timing of the payout of incremental RRIF balances, including the potential impact of mortality.

Data Sources

Registered Retirement Income Fund Withdrawals by Age

Canada Revenue Agency, T4RIF Data Custom Tabulation.

Registered Retirement Savings Plan Contributions by Age

Statistics Canada, [Longitudinal Administrative Databank Custom Tabulation](#).

Population by Age, Household Disposable Income and Interest Rates

PBO, [2025 Election Proposal Costing Baseline](#)

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