

Transferring the eligible part of a retiring allowance

You can transfer part of your retiring allowance **directly or indirectly** to **your** RRSP or your registered pension plan (RPP). You cannot transfer any part directly to a spousal RRSP or common-law partner RRSP. You may be able to contribute amounts you received from your retiring allowance to your own RRSP or to your spousal or common-law partner RRSP, up to the limits explained below. Also, amounts cannot be transferred to an RRSP if you were **over 71 years old** at the end of the tax year.

The eligible part is:

- \$2,000 for each year or part-year of service before 1996, in which you were employed by the employer or a person related to the employer who paid you the retiring allowance

plus

- \$1,500 for each year or part-year of service before 1989, if you were not entitled to receive any benefits you earned under a pension plan or deferred profit sharing plan from contributions that your employer made for each such year.

You will receive a contribution receipt for any amount directly transferred to your RRSP.

Tax **will not** be withheld from the eligible part of your retiring allowance if your employer directly transfers it to your RRSP or your RPP.

The direct transfer of your retiring allowance to your RRSP has no effect on your RRSP deduction limit.

The direct transfer of your retiring allowance to your RPP may result in a [pension adjustment \(PA\)](#) that will affect your RRSP deduction limit in subsequent years.