



## **SSC # 81 – PENSION SPLITTING & SPOUSAL RRIFS: ADVANCED INCOME-SPLITTING STRATEGIES FOR RETIRED CANADIAN COUPLES**

### **This course is eligible for:**

**2.5 Life & A&S CE Credits for BC, SK, MB & ON.**

**2.5 Life ONLY CE Credits for AB.**

### **Target Audience**

*This course is designed for the following categories of financial services professionals:*

- **Insurance advisors** offering annuity products or participating in retirement income plan design;
- **Mutual fund representatives and other registered individuals** whose clients include married or common-law couples with income asymmetry approaching or in retirement.
- **Tax planners and accountants** who collaborate with financial advisors on integrated retirement income strategies;
- **Certified Financial Planners (CFP®)** and those pursuing CFP certification under FP Canada standards, with a focus on the retirement income and tax planning competency domains.

Participants should have a foundational understanding of Canadian personal income tax, RRSP/RRIF mechanics, and the basic structure of CPP and OAS. This course builds upon that foundation with advanced planning analysis and case-based application.

### **Course Purpose**

The purpose of this Continuing Education course is to provide Canadian financial advisors with a comprehensive, technically rigorous understanding of the two primary income-splitting mechanisms available to retired couples under Canadian tax law — pension income splitting (Form T1032) and the spousal RRSP/RRIF structure — and to develop in each participant the analytical and practical competency necessary to assess, design, implement, and review integrated income-splitting plans that optimize after-tax retirement income for their clients.

This course addresses the legal framework, operational mechanics, compliance obligations, planning considerations, and client communication strategies associated with each tool, presented in sufficient depth to meet the professional development standards of CIRO, FP Canada, and the CSF.

## Learning Objectives

*Upon successful completion of this course, participants will be able to:*

1. **Explain** the tax rationale for income splitting in retirement by articulating how Canada's progressive marginal tax rate structure creates household tax inefficiency when there is income asymmetry between spouses, and identify the threshold income levels at which splitting produces the greatest benefit;
2. **Apply** the pension income splitting rules under section 60.03 of the *Income Tax Act*, including identifying which types of pension income qualify as eligible pension income for purposes of the T1032 election, and calculate the optimal transfer amount to minimise the household's combined federal and provincial tax liability;
3. **Distinguish** the structural and tax characteristics of a spousal RRSP and spousal RRIF from those of an individual RRSP and RRIF, including the applicable attribution rules, the three-year rule governing premature withdrawals, and the strategic use of minimum versus excess RRIF withdrawals to manage attribution exposure;
4. **Integrate** the pension income splitting election with a spousal RRIF strategy and other retirement income planning tools — including CPP timing, TFSA utilisation, and annuity conversion — to construct a comprehensive, tax-efficient retirement income plan for a retired couple;
5. **Assess** the interaction of income-splitting strategies with key federal benefits and credits — including the pension income tax credit, the age amount credit, OAS Recovery Tax, and GIS eligibility — and calibrate the split amount to maximise total household after-tax income and benefit entitlement; and
6. **Demonstrate** the professional obligations of a financial advisor when recommending income-splitting strategies, including CIRO suitability and KYC requirements, FP Canada Standards Council competency obligations, CSF obligations for Quebec-licensed advisors, CRA documentation requirements under Form T1032, and the circumstances under which referral to a qualified tax professional is appropriate.