



Why the RSP Deadline Matters

Description

As most retail investors are aware, the month of January is often focused on determining what to include in one's TFSA (Tax-Free Savings Account), while February is the month Canadians really have to get their financial house in order, focusing on both RSP (Retirement Savings Plans) contributions and filing their income taxes. Below, you will find the key dates to be aware of. Bear in mind that no tax advice is offered in this article.

January 1

To start the new year off right, it is possible for every investor to make a TFSA contribution at the starts of the new year. For 2017, the annual TFSA limit is \$5,500.

March 1

This is the RSP contribution deadline for the 2016 tax year. As a way to help Canadians with their fiscal responsibilities, the government allows the first 60 days of the new year to make an RSP contributions and count the contribution for the preceding year or the current year. As March 1 falls on a Wednesday, the 60 days is not extended.

April 30

This is the deadline for individuals to file their income taxes. Although it is approximately two months after the RSP deadline, we should note the RSP contribution is often a very important factor when filing one's taxes.

With financial deadlines upon us, it is often easier to research and plan in advance rather than wait until the last moment to figure out what to do. Once the RSP contribution has been made (for those of you who make the contribution), we have to decide what to do with the money.

In the past, we've discussed a number of options for TFSA accounts (during January), but, now in February, the contributions going into an RSP are often investments made with a longer time frame. Having focused on dividend-paying securities for the TFSA, we will now look at a few companies with

excellent dividend records but that also offer the potential for capital appreciation.

High Liner Foods Inc. ([TSX:HLF](#))

New shareholders of High Liner can expect to earn a yield in excess of 2.75% while watching the shares increase in value. With a dominant market share in the frozen fish market, most consumers are familiar with their brands, which include High Liner, Fisher Boy, Mirabel, Sea Cuisine, C. Wirthy & Co. The company currently distributes products in Canada, the United States, and Mexico, and the opportunity for growth will come as the company continues to expand south of the border.

Agrium Inc. (TSX:AGU)(NYSE:AGU)

With a merger planned for 2017, shares of Agrium currently offer investors a dividend yield of 3.5% and the potential for capital appreciation. Investing in Canada's dominant potash producer means investors will benefit from the pricing power which may follow from the merger with **Potash Corporation of Saskatchewan**. Time will tell.

Conclusion

Understanding one's individual circumstances before taking any action is critical in all financial matters. While RSP accounts often have a longer investing period than TFSA accounts, it is critical to find the right investment for the right person in the right account. High Liner Foods Inc. and Agrium Inc. will undoubtedly fit the profile for some.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HLF (High Liner Foods Incorporated)

PARTNER-FEEDS

1. Msn
2. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2017/02/06

Author

ryangoldsman

default watermark