



## RRSP Deadline 2021: Last Chance to Reduce Your 2020 Tax Bill

### Description

The Registered Retirement Savings Plan (RRSP) is an incredibly important tool. Almost every Canadian will need to utilize the RRSP at some point in your life. So, it's no surprise that many investors will want to know when the RRSP contribution deadline is.

The RRSP has several important advantages for Canadians. It's important to understand all the rules and regulations involving the RRSP. This way, you can take full advantage of all the benefits available to you.

One of the biggest advantages it offers Canadians is the ability to invest your RRSP contributions into high-quality stocks. This will allow Canadians to start earning income on their savings. And over time, with compounding interest, that income will grow to be quite significant.

Another considerable benefit that Canadians use the RRSP for is deferring taxes until later in retirement. This is beneficial for a lot of Canadians. Deferring taxes means you reduce the taxes you pay this year, which is why it's so beneficial for many Canadians.

### RRSP contribution deadline: How to reduce your 2020 taxes

If you want to reduce your tax bill for 2020, there is still time to contribute money. The RRSP deadline to reduce your 2020 tax bill is March 1, 2021.

That means that as long as you contribute your money before that day, you'll receive the tax credits to reduce your 2020 income.

But be careful. I wouldn't contribute money unless you're aware of all the rules and regulations. Unlike the Tax-Free Savings Account ([TFSA](#)), investors can't withdraw money without penalties. Plus, even though you're reducing taxes today, you'll still owe tax when you withdraw the money down the road.

So, it's crucial to take all these considerations into account before contributing your money ahead of the RRSP deadline.

## A top TSX stock for your RRSP

If you do decide to use the RRSP, you'll want to invest that money right away. Saving money is important, but if you're just going to leave it in cash, you will lose significant value to inflation annually.

That's why I would consider investing the money as soon as you've deposited your money ahead of the RRSP contribution deadline.

Since the RRSP is an account designed to [grow your retirement capital](#), you'll want to invest in robust stocks that pay attractive dividends. That's why one of the best stocks to consider is **Emera** ([TSX:EMA](#)).

Emera is one of the top utility stocks in Canada. Utilities are well known to be low-risk stocks that are perfect for dividend investors. Emera takes it a step further, though, with assets in multiple jurisdictions helping to reduce risk tremendously.

The company is perfect for long-term investors as it will protect your capital in the short run. At the same time, though, it can offer consistent long-term growth and a continuously increasing dividend.

That dividend yields roughly 4.8% today and has been increased by over 34% in just the last five years. So, if you're looking for a high-quality stock to buy after you contribute to the RRSP ahead of the deadline, Emera is a top consideration.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

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