



## 2 RRSP Tips to Remember for Beginners

### Description

The COVID-19 pandemic torpedoed many of our plans over the past 16 months. It may have also impacted retirement plans for Canadians. The nature of work has been altered during the pandemic, with millions of Canadians now working primarily from home.

This may have extended or shortened plans to remain at work among those close to retirement. Today, I want to look at RRSP tips for Canadians who are just starting out. Let's dive in.

### Start saving early and often

This is a crucial point for those hoping to reach their retirement goals. The longer young investors wait to save for retirement, the harder it will be to realize the goals you have set out. Often, the best strategy involves setting up automatic deposits into your RRSP.

Earlier this year, I'd [discussed a report](#) from Edward Jones that suggested roughly half of Canadians were struggling to make an RRSP contribution for 2020. Savings rates increased for many Canadians during the COVID-19 pandemic as citizens were forced to cut out expenses for leisure activities. On the other hand, millions of Canadians have struggled mightily as the pandemic has caused huge economic disruptions.

Often, it is wise to contribute to your RRSP right after you have completed your tax returns. This allows you to check off your contribution without letting the pressure get to you ahead of the deadline.

### You can pursue a global portfolio

There are many benefits to the Tax-Free Savings Account (TFSA), a newly registered account that was launched in January 2009. This was designed to complement the RRSP as a flexible alternative. However, the account does have a [drawback](#) for income-oriented investors. If you hold foreign dividend stocks in your TFSA, you will be subject to a withholding tax that you would not in an RRSP.

That is good news for Canadians saving for retirement. This means that RRSP investors can target reliable dividend kings like **ABM Industries** without having to worry about a penalty down the line. ABM industries have delivered over a half-century of dividend growth. Still, this is a modest dividend and RRSP investors may be hungry for a [dividend stock](#) with more punch.

## 1 top TSX dividend stock to add to your RRSP today

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) remains one of my favourite income-yielding equities on the TSX for RRSP investors. This North American infrastructure giant boasts a massive project pipeline. Its shares have climbed 22% in 2021 as of mid-afternoon trading on July 9. The stock is up 24% from the prior year.

The oil and gas sector has enjoyed a strong rebound in late 2020 and the first half of 2021. Global demand in this sector has bounced back with the developed world successfully fighting the COVID-19 pandemic. That has sparked a bull market in the energy sector.

Enbridge has delivered 25 consecutive years of dividend growth. The stock last had a favourable price-to-earnings ratio of 16. It offers a quarterly dividend of \$0.835 per share, representing a tasty 6.6% yield. This is a perfect stock to add early to your RRSP in July.

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### Date

2025/09/28

### Date Created

2021/07/11

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