

between the date of the budget, April 10, 1978, and 60 days following the date on which the enabling legislation receives Royal Assent. If such taxpayers choose to withdraw funds from their RRSPs prior to attaining age 71, they may do so without incurring a tax liability to the extent the amount withdrawn is invested in any of the permissible retirement income options within 120 days of the legislation receiving Royal Assent.

The following table illustrates the characteristics of the RRIF and how it would operate. It shows the annual payments that would be received on a \$1,000 investment in an RRIF assuming 5 per cent and 8 per cent rates of interest. Payments under an RRIF grow from year to year at the rate of return on investments in the fund. To the extent that the rates of return reflect price increases, this will tend to protect the real value of the benefits over time. Indeed, if the rates of return exceed the rate of inflation, this will enable the pensioner to improve his real standard of living along with other Canadians.

**Payments Under a Registered Retirement Income Fund
for Each \$1,000 Investment by a Taxpayer at Age 70**

Taxpayer's age on Jan. 1	Fraction of plan assets to be paid	5% Interest		8% Interest	
		Balance at start of year	Payments during the year	Balance at start of year	Payments during the year
70	1/20	\$1,000.00	\$50.00	\$1,000.00	\$50.00
71	1/19	997.50	52.50	1,026.00	54.00
72	1/18	992.25	55.12	1,049.76	58.32
73	1/17	983.98	57.88	1,070.76	62.99
74	1/16	972.40	60.78	1,088.39	68.02
75	1/15	957.21	63.81	1,102.00	73.47
76	1/14	938.07	67.00	1,110.81	79.34
77	1/13	914.62	70.36	1,113.99	85.69
78	1/12	886.47	73.87	1,110.56	92.55
79	1/11	853.23	77.57	1,099.45	99.95
80	1/10	814.45	81.44	1,079.46	107.95
81	1/9	769.65	85.52	1,049.24	116.58
82	1/8	718.34	89.79	1,007.27	125.91
83	1/7	659.98	94.28	951.87	135.98
84	1/6	593.98	99.00	881.16	146.86
85	1/5	519.73	103.95	793.04	158.61
86	1/4	436.57	109.14	685.19	171.30
87	1/3	343.80	114.60	555.00	185.00
88	1/2	240.66	120.33	399.60	199.80
89	1	126.35	126.35	215.79	215.79

Note: It is assumed that the required withdrawals from the Fund are made at the beginning of the year, that simple interest is credited at year end, and that no change occurs in the market value of the investments.