



Taking Income In Retirement

What is the best way to take money from my portfolio? This is a question I hear almost every time a client begins withdrawing. It's a fair question. Many have worked for decades building their wealth and want confidence it can support their lifestyle throughout retirement. Making savings last isn't just about investment returns. It's also about how and when income is taken, and just as importantly, how much tax is paid along the way.

People typically have several accounts or "buckets" where their savings are held. Common examples are a Tax-Free Savings Account (TFSA), Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Non-Registered, and sometimes a Corporate Account. Everybody's situation is different, which is why we apply thoughtful planning to every withdrawal decision. Each account has its own rules, but the real value comes from coordinating all of them together every single year.

In our office, most clients rely on their non-registered account early in retirement. Withdrawals from these accounts are not directly taxable. Instead, tax is paid on dividends, realized capital gains, and interest. Dividends and gains receive preferential tax treatment, and in many cases, dividends alone cover much of our client's income needs, allowing the principal to be able to continue growing. By realizing gains gradually, we can avoid large tax bills later in life or on an estate when tax rates are typically higher. Gains realized earlier in the year can also be offset through capital losses later on.

It's virtually impossible to identify the best income strategy for each individual situation without building a plan. That's why at the start of every relationship we build a detailed plan and update it as situations change. Across our team, we've completed over 1,000 plans and a common strategy we find is deferring TFSA withdrawals as late as possible. When introduced in 2009, I believe the TFSA should have been called the Tax-Free Investment Account as it is one of the best wealth building tools Canadians have. Another common issue we see is people prepaying tax in retirement by withholding tax on RRIF withdrawals every month. In our office, we send clients what they need monthly and upon thorough review only remit the necessary tax and remit to the Canada Revenue Agency (CRA) near year-end. This allows funds that would otherwise pre-pay CRA to stay invested and collect dividends, tax deferred.

When planning retirement income, the main goals are growing investments, minimizing tax, avoiding "prepaying" tax, and taking advantage of available benefits. This includes staying in a lower tax bracket, minimizing Old Age Security (OAS) claw back, and assessing eligibility for Guaranteed Income Supplement (GIS). Income planning isn't a set it and forget it strategy. It evolves as markets, tax laws, and personal circumstance changes. That's why we review your strategy regularly and ask for tax information every year. The goal is clarity, so clients can enjoy retirement with their income being handled thoughtfully.

We continue to favor dividends as they tend to be a sign of a financially healthy and stable business. Many of our holdings recently increased their dividends with some examples below:

Company	Recent Dividend % Increase	5 Year % Cumulative Increase
Canadian Natural Resources	6.38%	173.64%
Sun Life Financial Inc.	4.34%	63.64%
Brookfield Infrastructure Partners LP	5.81%	40.14%
Restaurant Brand International	4.84%	26.64%

*From Factset.com on May 8th, 2026

I thought I would share 3 of your portfolio holdings and why we like them for your interest.

GOOGL – Alphabet Inc. Class A

Alphabet maintains the largest online index of websites accessible through automated search technology. It generates revenue through online advertising, cloud services, and consumer devices. Google is an operating segment of Alphabet which generates most of its revenue primarily from advertising sales.

Alphabet began 2026 with a strong set of financial results. The firm's sales grew 22% to \$110 billion, with Google Cloud up 63% to \$20 billion. A year ago, Alphabet was trading as if it had lost the artificial intelligence race. What a difference a year, and clear evidence that the firm is generating strong returns from AI, can make. The clearest way to see these is in Google Cloud, where sales accelerated sequentially and annually. The firm also generates substantial cash flows from its advertising business that it can reinvest in growth areas such as their cloud platform, AI-infused search, and aspirational projects such as Waymo.

WSP – WSP Global Inc.

WSP Global is a leading professional consulting firm that engages in advisory, engineering and design services for private and public-sector clients in various end-markets, including transportation&infrastructure,property&buildings,industry,resources,power,andenvironment.



WSP continues to benefit from the tailwinds of massive government infrastructure spending due to AI, which is driving robust organic growth across all key geographic markets. Due to this they reported a first quarter earnings beat with Earnings per Share (EPS) growth of 26% Year over Year (YoY). Management also reported a robust pipeline of opportunities and no significant project cancellations or delays to date as a result of the conflict in the Middle East. We believe these are signs of resilience and a company that may be undervalued.

CM – Canadian Imperial Bank of Commerce (CIBC)

CIBC is the 5th largest Canadian bank and offers banking services for individuals and businesses in both the US and Canada. It serves approximately 14 million personal banking and business customers, primarily in Canada and the US. It also has a significant presence in Canada's wealth management and capital markets industry.

CIBC reported a first quarter adjusted EPS increase of 25% YoY, well above expectation. CIBC's earnings growth continued to outpace its larger Canadian bank peers. Performance was particularly strong in its capital markets business, with 42% YoY growth. One concern specifically with CIBC is they are the most exposed to a downturn in the Canadian housing market. This coupled with great performance (really all the big 6 banks) since late 2023 could make them a good candidate to lock in some profit on.

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