REFERENCE GUIDE · 2026 EDITION

The Canadian expat retirement guide

The complete guide to managing your RRSP, your TFSA, your investment accounts, your property, your Old Age Security and your CPP once you become a non-resident, with worked examples, charts and optimization strategies.

> *"What you keep > what you earn."*

RRSP · TFSA · NON-REGISTERED · REAL ESTATE · OAS · CPP

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How to use it: every chapter stands on its own. Read your priority account first, keep the checklist (p. 28) close at hand, and use the worked examples as reference points — not as personalized advice.

BEFORE WE START

WHO WE ARE

Two Quebecers, career advisors



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LinkedIn · Titan Wealth profile



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Former private wealth advisor at Manulife in Québec. Based in Panama, he now works with clients with complex needs at Titan Wealth International.

LinkedIn · Titan Wealth profile

Laith and Neyel, the founders of Capital Nomade, are two former financial advisors from Québec. In private wealth management at Manulife, they **actively and successfully managed over $60M in assets in Canada.**

They grew up in Saint-Jérôme, in Québec's Laurentians, and built their whole finance career in Canada. Two years ago, they sold their book of business to move abroad and join **Titan Wealth International**, an international wealth management firm with 25 offices worldwide and around 60 billion in assets under management.

WHAT EXACTLY IS CAPITAL NOMADE?

Capital Nomade is a personal brand. That's it.

It is **neither a firm nor an entity that provides financial advice**. It's the name Neyel and Laith built (YouTube channel, Facebook page) to reach Canadians and Quebecers living abroad. **All regulated advice is provided through Titan Wealth International**, the firm they work for.

Titan Wealth International regulations · Neyel at Titan · Laith at Titan

▶ Our YouTube channel (in French) ▶ Client testimonials

01 · INTRODUCTION

The expat paradox

Many Canadian expats earn an excellent income in low-tax countries — and yet few build lasting wealth. The reason isn't income: it's **the absence of structure**.

Your Canadian accounts sit on autopilot, and very specific rules kick in the moment you become a non-resident. The result: **avoidable withholding taxes, double taxation, reduced or lost benefits** — and a portfolio nobody manages anymore.

This guide gives you the essential rules for the five accounts of departure, concrete examples, and the levers to use them to your advantage instead of being run over by them.

The decisive factor: the tax treaty between Canada and your country of residence. The country you choose determines how much Canada withholds, what your new country re-taxes, and whether you avoid double taxation. Choosing it is already optimizing.

THE THREE MOST EXPENSIVE MISTAKES

- ☐ **Withdrawing your RRSP at the wrong time** (resident vs non-resident).
  The tax gap runs into the tens of thousands of dollars.
- ☐ **Believing the TFSA stays "tax-free" everywhere.**
  It's often re-taxed by your new country.
- ☐ **Forgetting the 20-year residence test** to take your Old Age Security abroad.
  Without it, OAS can stop once you leave Canada.

We break down each of these mistakes in the pages that follow.

PART 1 · THE ACCOUNTS YOU LEFT BEHIND

02 · THE PROBLEM

The frozen account

The day you become a non-resident, your relationship with your Canadian institution changes completely — even if nobody calls to tell you.

Advisors in Canada hold **provincial licenses**. Your advisor at the bank simply no longer has the right to advise you once you live in Dubai, Mexico City or Lisbon. It's not bad faith: it's regulatory. **Nobody understands your situation — and your bank can't deal with non-residents.**

Concretely, here's what happens:

- ☐ **Account restricted to "hold only"**: you can sell, but no longer buy or rebalance.
- ☐ **Outright closure**: several institutions close non-resident accounts, with a deadline to liquidate or transfer.
- ☐ **Nobody understands your situation anymore**: your advisor can't make recommendations — and doesn't know your new country's tax rules, the treaties, or your new currency of life anyway.
- ☐ **Autopilot**: your portfolio sits frozen, often in high-fee house funds, for years.

KEY IDEA

The problem isn't that your money is "stuck". It's that it's no longer **managed**. A $400,000 portfolio left without a strategy for 10 years is the most expensive opportunity cost of your entire expatriation.

Am I eligible to work with you?

Check your eligibility →

PART 1 · THE ACCOUNTS YOU LEFT BEHIND

03 · OVERVIEW

The five accounts at a glance

Two families: what you saved, and what the government will pay you. The non-residency rules are different for each.

YOUR PERSONAL SAVINGS

RRSP / RRIF

25% WITHHOLDING

REGISTERED RETIREMENT SAVINGS PLAN

Keepable and deferrable. Withdrawals taxed at 25% (reducible to 15% on periodic RRIF payments via treaty).

TFSA

LOCAL TRAP

TAX-FREE SAVINGS ACCOUNT

Keepable, but no more contributions. Often re-taxed by your new country — the Canadian advantage can vanish.

Non-registered

0% AFTERWARDS

REGULAR BROKERAGE ACCOUNT

"Deemed disposition" on departure (tax on the unrealized gain), then no more Canadian tax on future gains from listed securities. The account built to be restructured.

YOUR GOVERNMENT PENSIONS

OAS

25% WITHHOLDING

THE RESIDENCE-BASED PENSION

From age 65. Exportable if ≥ 20 years of residence. Clawed back above a certain income.

CPP

25% WITHHOLDING

THE CONTRIBUTION-BASED PENSION

Based on your contributions. Paid for life, anywhere in the world, with no residence requirement.

REMEMBER

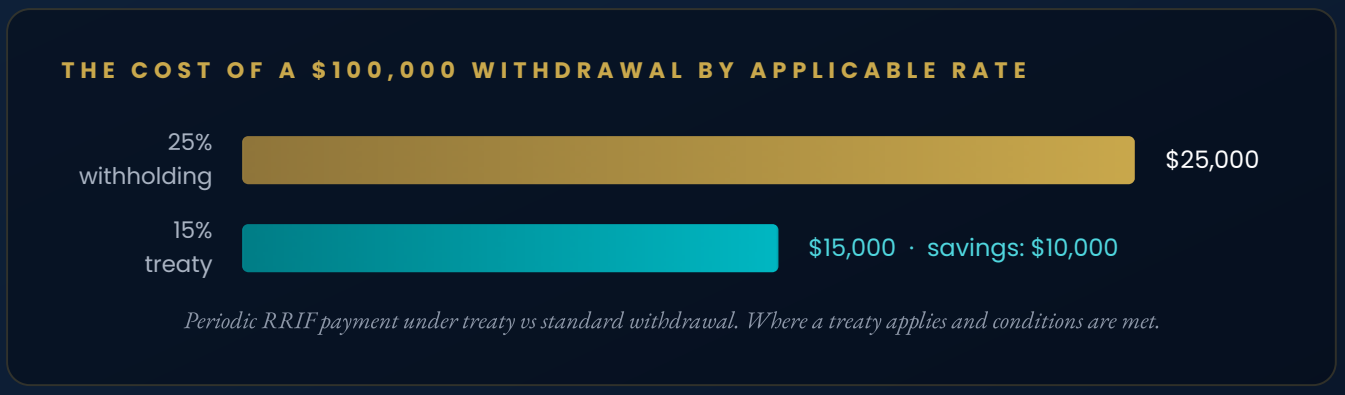
For pensions and registered withdrawals, the default non-resident withholding is **25%** — a tax treaty can reduce it. The non-registered account plays in a different league: tax on departure, then **0% on the Canadian side** on future gains. And your property? It gets its own chapter (07).

PART 1 · THE ACCOUNTS YOU LEFT BEHIND

04 · CHAPTER I

RRSP / RRIF

Good news first: you can **keep your RRSP** and let it grow tax-sheltered in Canada, even as a non-resident. No obligation to close it when you leave. Everything comes down to the moment you withdraw.



- ☐ **Withdrawing as a non-resident:** 25% withheld at source, instead of the progressive rates residents pay. That's generally your final Canadian tax obligation.
- ☐ **Reduced 15% rate** possible on periodic RRIF payments, under certain treaties — when annual payments don't exceed the greater of: 2× the minimum, or 10% of the RRIF's value on January 1st.
- ☐ **Lump-sum withdrawals:** they stay at 25%. Only periodic payments qualify for the reduced rate.
- ☐ **Source country:** under several treaties, pension income is taxable only in Canada — useful against double taxation.
- ☐ **On leaving Canada:** "deemed disposition" of certain assets (the RRSP isn't affected, but your non-registered accounts are — see chapter 06).

PART 1 · THE ACCOUNTS YOU LEFT BEHIND

04 · CHAPTER 1 (CONTINUED)

RRSP — the strategy

— WORKED EXAMPLE

Karim, 45, leaves Toronto for Dubai

Karim has $250,000 in his RRSP. Tempted to cash it all out "for a fresh start", he compares two scenarios.

- ☐ **Cash out in one lump sum, as a non-resident:** 25% withholding = $62,500 in tax, all at once.
- ☐ **Convert to a RRIF and spread out periodic payments:** under a treaty, withholding can drop to 15% on those payments, and the income is smoothed over several years.

Decision: he keeps the RRSP intact, converts gradually, and plans his withdrawals year by year around his residency status.

! COMMON MISTAKE

Cashing out the entire RRSP in the year you leave while still a resident for part of the year — the withdrawal gets added to your worldwide income at your marginal rate, sometimes over 45%.

YOUR LEVERS

- ☐ Convert to a RRIF to access the reduced 15% rate on periodic payments.
- ☐ **Form NR5:** request reduced withholding if your actual rate would be lower.
- ☐ Choose a country with a tax treaty (see chapter 14).
- ☐ Coordinate RRSP, TFSA and pensions to smooth out your taxable income.

— KEEPING ≠ LETTING IT SLEEP

The RRSP is almost always smarter to **leave in Canada**: transferring it out means cashing it all in (25% withholding), and the tax shelter stays intact as long as it stays put. But leaving it in Canada doesn't mean letting it sleep. Inside your RRSP, you can hold US and international assets, get out of 2%+ fee funds, and align the allocation with your real life. **The right strategy: the account stays Canadian, but the portfolio goes global** — and keeps working while it waits for the 15% drawdown.

PART 1 · THE ACCOUNTS YOU LEFT BEHIND

05 · CHAPTER II

TFSA

Tax-Free Savings Account — the "traps" section.

! MAJOR TRAP

The TFSA **is not recognized** as "tax-free" by most host countries (the United States, France and others tax it like a regular account). The Canadian tax advantage can be **cancelled out by the local tax authority**. Absolutely must be checked for your country of residence.

— WORKED EXAMPLE

Sarah moves to the United States and keeps her TFSA

Her $90,000 TFSA keeps growing tax-free on the Canadian side. But the IRS doesn't recognize the TFSA's status: the gains (interest, dividends, capital gains) become taxable in the US as they occur — plus potential extra reporting headaches.

The "tax-free" disappears. Depending on her situation, withdrawing before the move — or structuring differently — could have been the better play.

What to do: before you leave, check how your future country treats the TFSA. In some cases, emptying it before the residency change (while withdrawals are still neutral) avoids a recurring local tax bill.

- ☐ **You can keep an existing TFSA:** the growth stays tax-sheltered in Canada.
- ☐ **No new contribution room** accrues while you're a non-resident (2026 limit: $7,000/year — but residents only).
- ☐ **Contributing as a non-resident** = 1% penalty per month on the amount contributed, until it's withdrawn.
- ☐ **TFSA withdrawals face zero Canadian withholding** — the only one of the five accounts where that's true.

PART 1 · THE ACCOUNTS YOU LEFT BEHIND

05 · CHAPTER II (CONTINUED)

TFSA — withdraw, then restructure

The option nobody explains to you.

What few people realize: the TFSA is **the only one of the five accounts you can empty at any time, with zero Canadian withholding**. And if you ever move back to Canada, your contribution room comes back the year after the withdrawal — you lose nothing permanently.

Three questions to ask yourself honestly:

1. Does your new country tax it?

Often yes — the "tax-free" advantage is already dead.

2. Is it actually performing?

Plenty of TFSAs have been sitting in GICs or house funds since departure, with zero follow-up.

3. Is the Canadian dollar still your reference currency?

If your life runs in USD, EUR, AED or Mexican pesos, a 100% Canadian TFSA isn't a plan anymore — it's a currency bet.

KEY IDEA

If all three answers point the same way, **withdrawing and restructuring internationally** — in your currency, with real follow-up — often beats keeping a "tax-free" account... that no longer is.

Am I eligible to work with you?

Check your eligibility →

PART 1 · THE ACCOUNTS YOU LEFT BEHIND

06 · CHAPTER III

The non-registered account

Departure tax, then freedom. This is the most misunderstood account of the whole departure. Two rules follow each other — and together, they tell a complete story.

RULE 1 — ON DEPARTURE: THE DEEMED DISPOSITION.

The day you leave, the CRA treats you as having **"sold" your non-registered investments at fair market value** — even if you sold nothing. The accumulated gain lands on your final resident tax return.

— WORKED EXAMPLE

Mark leaves Vancouver with $400,000 in a non-registered account

His portfolio holds **$150,000 of unrealized gains**. Deemed disposition: a $150,000 gain, 50% taxable = **$75,000 added to his income** in the year of departure. At a marginal rate of roughly 50%, that's **≈ $37,500 in tax**.

He can pay immediately — or **defer payment** by posting security with the CRA (the T1244 election), interest-free.

! DON'T FORGET

The deemed disposition applies **whether you sell or not**. So the question isn't "how do I avoid it" — it's "what do I do with my freedom once the departure tax is settled". Answer on the next page.

PART 1 · THE ACCOUNTS YOU LEFT BEHIND

06 · CHAPTER III (CONTINUED)

Non-registered — the freedom after

RULE 2 — AFTER DEPARTURE: YOUR SECURITIES ARE NO LONGER TCP.

Once you're a non-resident, your listed securities are no longer **"taxable Canadian property"**. Translation: future capital gains on those securities are **no longer taxable in Canada**. Your cost base was reset the day you left.

KEY IDEA

The departure tax applies either way. Once your base is reset, keeping exactly the same portfolio has *zero* remaining tax justification: restructuring costs nothing extra on the Canadian side. This is **THE** moment for a clean restart:

- ☐ aim for **better returns** (get out of high-fee funds),
- ☐ get **service** back, with an advisor who's actually allowed to talk to you,
- ☐ and start **investing in your new reference currency**.

WHAT CANADA STILL WITHHOLDS (AND WHAT IT NO LONGER DOES)

- ☐ **Capital gains on listed securities: 0%** as a non-resident.
- ☐ **Dividends from Canadian companies:** 25% withholding, often reduced to 15% by treaty.
- ☐ **Interest (arm's length):** generally no withholding.
- ☐ **A restructured portfolio with no Canadian assets:** no Canadian withholding at all.

Seen from a country like the UAE (0% local income tax), that means capital gains that can become **entirely tax-free** — provided you restructured.

Am I eligible to work with you?

Check your eligibility →

PART 1 · THE ACCOUNTS YOU LEFT BEHIND

07 · CHAPTER IV

Selling your property in Canada

Unlike your listed securities, your property remains **taxable Canadian property (TCP)** — taxable in Canada even after you leave. Selling it as a non-resident triggers a very specific process. Knowing it ahead of time means not getting a quarter of your sale price frozen.

- ☐ **The principal residence exemption** covers the years it was your principal residence, plus one (the "plus-one" rule). The years after your departure, though, keep piling up taxable gain.
- ☐ **The certificate of compliance (T2062)**: to be requested from the CRA no later than 10 days after the sale — ideally before. With it, withholding is calculated on the estimated *gain*.
- ☐ **Without the certificate:** the buyer must withhold **25% of the gross sale price** — not the gain. On a $700,000 sale, that's $175,000 frozen, sometimes for over a year.
- ☐ **The Canadian tax return** the following year calculates the real tax and recovers any excess withheld.

— WORKED EXAMPLE

Julie sells her Toronto condo, 3 years after moving to Mexico

Sold for **$700,000**, bought for $400,000 → a $300,000 gain over 15 years of ownership, 12 of them as her principal residence. Exemption: (12+1)/15 = **$260,000 exempt**. Taxable gain: $40,000, of which 50% = $20,000 added to income.

With the T2062: withholding calculated on the gain. **Without it:** 25% × $700,000 = **$175,000 withheld** pending the tax return — for a real tax bill that's a fraction of that.

! COMMON MISTAKE

Selling without knowing that non-resident status changes everything — the lawyer holds back the funds, the money freezes, and nobody warned you. The T2062 gets prepared **before** you sign.

PART 1 · THE ACCOUNTS YOU LEFT BEHIND

07 · CHAPTER IV (CONTINUED)

Sold. Now what about that money?

Selling a property is the single biggest liquidity event of your expatriation. And it's exactly where most people improvise.

The classic scenario: $500,000, $600,000, $700,000 lands all at once in a **Canadian chequing account**. And it stays there. Look at what that money is actually doing:

- ☐ **No tax shelter to preserve** — it's neither an RRSP nor a TFSA. Nothing ties it to Canada.
- ☐ **100% in Canadian dollars** — the currency of a country you no longer live in (chapter 08).
- ☐ **At an institution that can't advise you** — back to the frozen account of chapter 02.
- ☐ **Outside any estate planning** — in Canada, no beneficiary designation is possible on a non-registered account (chapter 10).

It's **the perfect candidate for the international structure**: invested in strong currencies, in open architecture, with an advisor who's allowed to serve you — and an estate settled by beneficiary designation. The proceeds of your house become the foundation of your expat wealth, instead of sleeping in a chequing account.

Just sold — or about to sell?

That money you don't want to leave sitting in Canada — **now** is when it gets structured. This is THE window.

Check your eligibility →

2 MINUTES · FREE · NO COMMITMENT

END OF PART 1

THE HONEST TEST

Sound familiar?

You've just toured your accounts. Mentally check whatever looks like you:

- ☐ **Non-registered money sitting idle** since you left — that could be restructured.
  → CHAPTER 06
- ☐ A **maxed-out TFSA, now taxable** in your new country, that nobody manages.
  → CHAPTER 05
- ☐ **No retirement plan** — you're moving forward, but toward what?
  → PARTS 2 AND 3
- ☐ **Disorganized finances**, scattered across two or three countries.
  → CHAPTER 10
- ☐ **No idea how to manage your investments** as a non-resident.
  → CHAPTERS 09-10
- ☐ You're making money in a country with a **fragile banking system** — not solid, not portable — in a currency that isn't either.
  → CHAPTERS 08 AND 10
- ☐ You're **selling (or just sold) a property** in Canada — and don't want that money sitting there.
  → CHAPTER 07
- ☐ **One checked box is enough.** These are exactly the situations we solve, every week, for expats like you.

Check your eligibility →

2 MINUTES · FREE · NO COMMITMENT · ELIGIBILITYVERIFICATION.CAPITALNOMADE.COM

No time slot to book: if your profile is a fit, a member of our team calls you back shortly.

PART 2 · THE SOLUTION: RESTRUCTURE INTELLIGENTLY

08 · THE RISK NOBODY CALCULATES

The currency

Your portfolio has a currency. Your life has another.

You earn in AED, in USD or in Mexican pesos. You might spend in EUR, in MXN, in THB. And all the while, **100% of your wealth sleeps in Canadian dollars** — the currency of a country you no longer live in. The loonie is not a stable currency: over 25 years, it has traded between ≈ US$0.62 and above US$1.00. On a $500,000 portfolio, that's over $100,000 of swing — without a single investment moving. **Keeping 100% of your wealth in CAD while living abroad isn't prudence: it's an unmanaged currency position.**

Your reference currency is the one you'll actually spend your retirement in. The strategy isn't to convert everything tomorrow morning — it's to align your portfolio with your real life, *progressively*:

- ☐ identify your future spending currency (or currencies),
- ☐ direct new investments toward that currency,
- ☐ and convert the existing assets in stages, smoothing the exchange rate instead of taking it in one hit.

— WHAT IF YOUR LOCAL CURRENCY IS VOLATILE? (MXN, IDR, THB…)

Many of our readers live in Mexico or Southeast Asia: aligning with your life doesn't mean exposing yourself to a weak currency. The strategy runs in **two pockets**: your **living cash** (6 to 24 months of expenses) in the local currency, and your **long-term wealth** in strong currencies (USD, EUR, CAD) via a multi-currency structure — which converts into your local currency as needs arise, not all at once.

LAITH'S VIDEO (IN FRENCH)

Where to keep your money as a Canadian abroad? The Isle of Man explained by Laith →

Am I eligible to work with you?

Check your eligibility →

PART 2 · THE SOLUTION: RESTRUCTURE INTELLIGENTLY

09 · THE DECISION TREE

Keep / transfer / restructure

Account by account, the verdict — so you know whether it's worth it or not.

RRSP / RRIF

KEEP

Keep it, but put it to work. Pulling it out = cashing it all in at 25%. No upside. Keep it in Canada, optimize what's inside (global allocation, fees, asset currencies), and plan the periodic drawdown at 15%.

TFSA

CASE BY CASE

Taxed locally + weak returns + CAD no longer your currency → **withdraw and restructure**. Likely return to Canada in the medium term → may be worth keeping (your room comes back after a withdrawal anyway).

Non-registered account

RESTRUCTURE

Cost base reset on departure, an institution that can no longer serve you, zero Canadian tax on future gains: this is the account **built** to be rebuilt internationally, in your reference currency.

Proceeds from a property sale

STRUCTURE

No tax shelter to preserve, no reason to leave it in CAD in a chequing account. **The perfect candidate** for building the international structure (chapter 07).

OAS / CPP

NOTHING TO MOVE

These are pensions, not accounts. They follow you (see chapters 11-12).

THE COMMON THREAD

What's **registered stays in Canada** and gets optimized from the inside. What's **free gets restructured internationally**. And the pensions travel all by themselves.

PART 2 · THE SOLUTION: RESTRUCTURE INTELLIGENTLY

10 · WHERE AN EXPAT'S WEALTH LIVES

The international structure

Let's recap the problem: your Canadian bank can no longer serve you, and your local bank — depending on the country — offers neither the solidity, nor the protection, nor the advice your wealth needs. So where does your money live?

The answer has existed for decades for expats worldwide: **international investment platforms**, domiciled in jurisdictions built precisely for this.

THE ISLE OF MAN — WHAT IS IT?

A British Crown dependency in the Irish Sea, self-governing for over a thousand years — its parliament, the **Tynwald**, is the world's oldest in continuous operation. It's not an opaque "tax haven": it's a **specialized financial centre**, regulated by the Isle of Man Financial Services Authority (IOMFSA), transparent (international information-exchange standards, active OECD member), whose business for decades has been serving expats who live in countries where the local financial system falls short. Your assets are held there **in segregation** — separate from the institution's balance sheet — within a recognized investor-protection framework.

Aa3

Moody's credit rating for the Isle of Man (2024) — high wealth levels, very low debt, substantial reserves.

OECD

Top compliance rating for tax transparency — one of the few international jurisdictions to earn it.

1,000+ years

The Tynwald, the world's oldest parliament in continuous operation. Political stability and English common law.

LAITH'S VIDEO (IN FRENCH)

Where to keep your money as a Canadian abroad? The Isle of Man explained by Laith →

PART 2 · THE SOLUTION: RESTRUCTURE INTELLIGENTLY

10 · CHAPTER (CONTINUED)

Why it's essential for a Canadian expat

1. Jurisdictional solidity

If you live in Mexico, Indonesia, Vietnam — or even the UAE — your wealth shouldn't have to depend on the local banking system: limited deposit insurance, possible capital controls, uncertain legal recourse. Your assets live in a stable jurisdiction; you live wherever you want.

2. Portability

Dubai today, Mexico City tomorrow, Lisbon after that. The structure follows you through every move: you change your address, not your plan.

3. Multi-currency

CAD, USD, EUR, GBP — and more — in a single account: hold, receive and report in multiple currencies, and change your base currency at no cost. Exactly the tool you need to execute the currency transition from chapter 08.

4. Open architecture

A bank advisor sells the bank's funds — that's the mandate. An open-architecture structure gives access to the whole market: ETFs, funds from every major house, direct securities. And the advisor is paid to advise, not to push house products. **It's the difference between a salesperson and an ally.**

! IMPORTANT NUANCE

An international structure isn't for "hiding" anything. Everything is declared, transparent and compliant. Its role: solidity, portability, service — and estate planning, which we cover on the next page. Things no domestic institution, Canadian or local, can offer a non-resident.

PART 2 · THE SOLUTION: RESTRUCTURE INTELLIGENTLY

10 · CHAPTER (CONTINUED)

Your estate — the expat's blind spot

You've built the wealth. One question almost nobody settles: what happens if something happens to you?

THE PROBLEM: THREE LEGAL SYSTEMS CONTRADICTING EACH OTHER

- ☐ **Probate in every country.** Each institution requires the will to be validated by local courts before releasing assets — parallel proceedings, accounts frozen for months, sometimes years.
- ☐ **Multiple wills, not always recognized.** You often need one will per jurisdiction, and some countries simply don't recognize a foreign will.
- ☐ **Local default rules.** In several host countries, forced-heirship or default distribution rules can apply — your spouse doesn't necessarily inherit what you think.
- ☐ **And in Canada:** no beneficiary designation is possible on a non-registered account — it flows through your estate and probate, period.

WHAT THE ISLE OF MAN STRUCTURE CHANGES

English common law has **no concept of forced heirship**: you pass your assets to whomever you choose. A **beneficiary designation** — or a beneficiary trust, created only at your death, with no trustee involvement during your lifetime — transfers the portfolio directly to the people you named, **without probate**, without any forced sale of assets, and with the option to split one portfolio among several beneficiaries at no cost.

KEY IDEA

Your estate becomes portable too: **you decide who receives what, how fast, and without courts** — no matter which country you're living in that day. For a nomad, that matters as much as returns.

Am I eligible to work with you?

Check your eligibility →

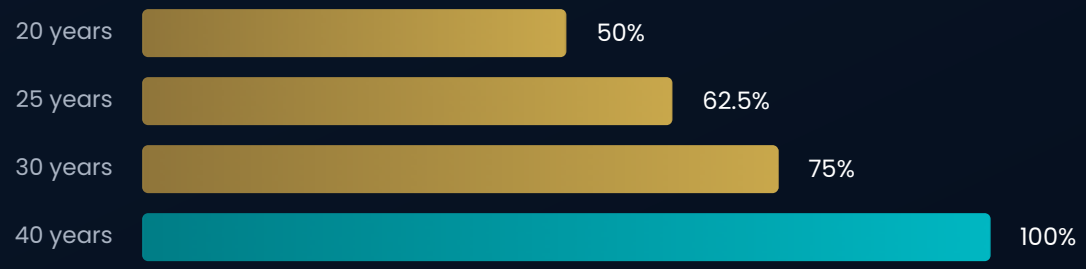
PART 3 · YOUR GOVERNMENT PENSIONS: OAS & CPP

11 · THE RESIDENCE-BASED PENSION

Old Age Security

OAS — **the residence-based pension**. Paid from age 65, taxable, funded from general taxes (no contributions required). In 2026, the maximum is roughly **$740/month** (65-74) and **$814/month** (75+), indexed every quarter.

SHARE OF THE FULL PENSION BY YEARS OF RESIDENCE



The 1/40th rule per year of residence after age 18. 40 years = full pension.

- ☐ **Residence:** if you live in Canada, 10 years after age 18; if you live abroad, you need **at least 20 years of Canadian residence after age 18** to keep receiving it outside the country.
- ☐ **Partial pension:** the full OAS requires 40 years of residence. Below that, you receive 1/40th per year.
- ☐ **Social security agreements** between Canada and certain countries can help you reach the 20-year (or 40-year) threshold.
- ☐ **25% non-resident withholding** (unless reduced by treaty).

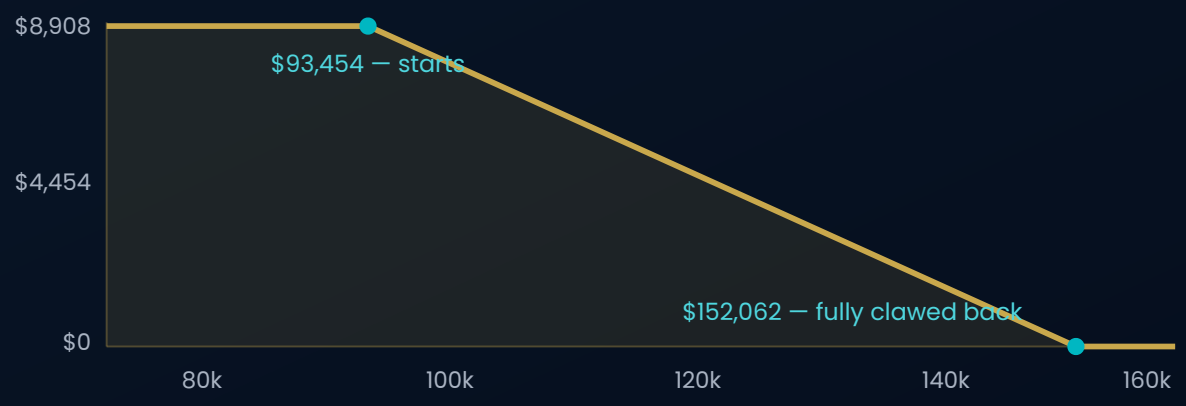
PART 3 · YOUR GOVERNMENT PENSIONS: OAS & CPP

11 · THE RESIDENCE-BASED PENSION (CONTINUED)

OAS — the clawback

Above an income threshold, the government takes OAS back through the "recovery tax": **15 cents per dollar** above the threshold. For payments from July 2026 to June 2027 (2025 income):

OAS RETAINED BY NET WORLDWIDE INCOME ($/YR, AGES 65-74)



Pension retained by net worldwide income (ages 65-74, 2026). Above $152,062, OAS is fully clawed back ($157,923 at 75+).

— WORKED EXAMPLE

Ron, 66, retired with a healthy income

Net income of $113,454: he exceeds the $93,454 threshold by $20,000. Clawback = 15% × $20,000 = **$3,000 taken back** from his OAS for the year.

Lever: spread out RRSP withdrawals, realize gains in a different year, or use the TFSA (invisible to income) to stay under the threshold.

PART 3 · YOUR GOVERNMENT PENSIONS: OAS & CPP

12 · THE CONTRIBUTION-BASED PENSION

Canada Pension Plan

CPP — **the contribution-based pension**. You earned it through payroll contributions over your career. In 2026, the maximum at 65 is roughly **$1,500/month**; the average actually paid runs around **$850/month**, because few people contribute at the maximum their whole career.

CPP OR QPP?

Career outside Québec → **CPP** (Service Canada). Career in Québec → **QPP** (Retraite Québec). Mixed career and residence outside Canada → you keep every right you've accrued and apply to the relevant administrator.

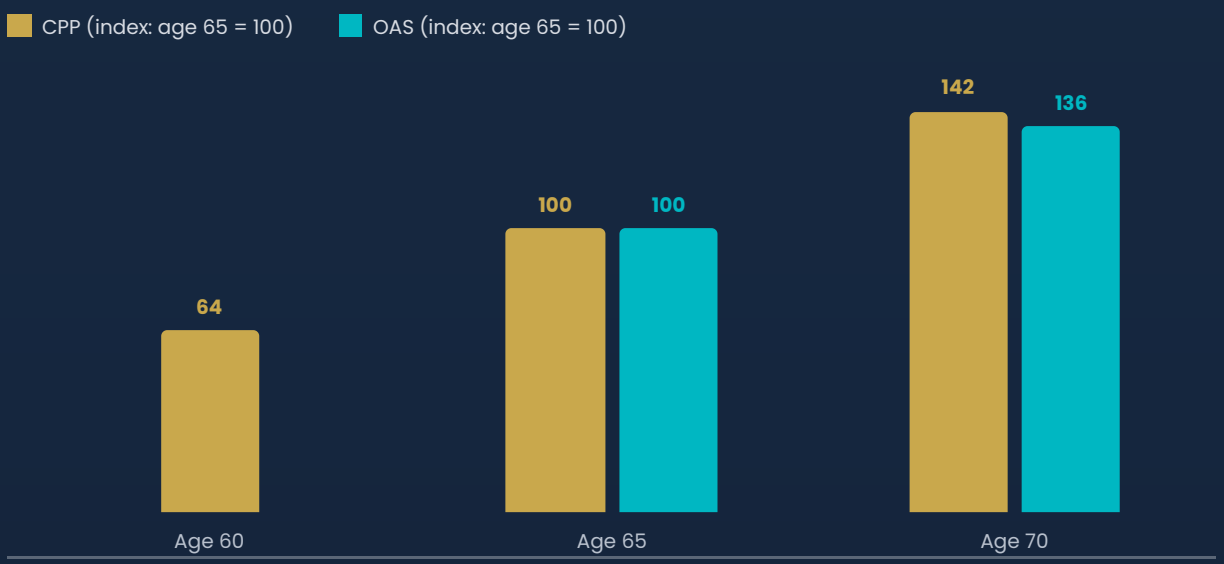
- ☐ **Paid for life, anywhere in the world,** with no time limit — by direct deposit in many countries.
- ☐ **Amount based on contributions** made since age 18; the calculation drops roughly your 8 lowest-earning years, and replaces about 25% of your average career earnings (gradually rising with the CPP enhancement).
- ☐ **Available from age 60** (reduced), standard at 65, enhanced up to age 70.
- ☐ **25% non-resident withholding** (unless treaty). The pension is taxable; as a non-resident, the CRA sets the rate.
- ☐ **You apply through Service Canada** (My Service Canada Account or by mail). The NR5 (every 5 years) can reduce the withholding when it's to your advantage.

PART 3 · YOUR GOVERNMENT PENSIONS: OAS & CPP

12 · THE CONTRIBUTION-BASED PENSION (CONTINUED)

CPP — the age effect

The age you start locks your amount **for life**. Every month counts: **−0.6%/month** before 65 (down to −36% at 60), **+0.7%/month** after (up to +42% at 70).



Relative pension by starting age (index: age 65 = 100). Both CPP and OAS can be deferred to 70.

WORKED EXAMPLE

Deferring, when you have other income

A $1,000/month pension at 65 becomes ≈ $640 at 60, ≈ $1,420 at 70, for the rest of your life, and indexed every year.

If you're healthy and your TFSA/RRSP covers the early years, deferring CPP is often the most profitable "risk-free" investment there is.

The reverse also holds: if your life expectancy is reduced, if you need the income right away, or if you're targeting the GIS, taking it early can be the right call. The break-even often lands around age 82-84.

PART 3 · YOUR GOVERNMENT PENSIONS: OAS & CPP

13 · KEY DECISION

When should you take your pensions?

OAS and CPP share the same logic: deferring raises the amount for life. But the contexts differ — especially for a non-resident.

	TAKE IT EARLY (60-65)	DEFER (UP TO 70)
CPP	Immediate income need; fragile health; targeting GIS eligibility	Good health + other income (TFSA/RRSP); +0.7%/month, indexed
OAS	Immediate need; income already high (clawback either way)	+0.6%/month up to +36% at 70; avoids the clawback between 65 and 70
NON-RESIDENT ANGLE	25% withholding (or treaty rate) applies from the 1st payment	More deferred pension = higher base, but identical withholding

INDICATIVE DRAWDOWN ORDER

To adapt to your situation and your local tax rules.

1
TFSA
Neutral withdrawals, invisible to income.

→

2
RRSP / RRIF
Draw down at a controlled rate (15-25%).

→

3
OAS + CPP
Deferred and enhanced for life.

RULE OF THUMB

As long as you have savings to live on (TFSA first, then RRSP/RRIF), the 65-70 "deferral window" is also an excellent period to draw down your registered accounts at a low rate while boosting guaranteed pensions for life.

PART 3 · YOUR GOVERNMENT PENSIONS: OAS & CPP

14 · THE CENTRAL LEVER

Tax treaties

Canada has a tax treaty with more than 90 countries. It can reduce the 25% withholding on your pensions and periodic payments, and above all **prevent double taxation**. A country without a treaty means full freight and the risk of being taxed twice.

COUNTRY OF RESIDENCE	TREATY	WHAT IT MEANS
UNITED ARAB EMIRATES	**Yes**	No local personal income tax; on the Canadian side, withholding applies — exact rate per the treaty.
MEXICO	**Yes**	Canada-Mexico treaty in force; reduced rates possible on pensions and periodic payments, credit against double taxation.
UNITED STATES	**Yes**	Periodic pension payments capped at 15%; specific rules (protocol).
UNITED KINGDOM	**Yes**	Treaty in force; reduced rates possible on periodic pensions, credit against double taxation.
COUNTRY WITHOUT A TREATY	**No**	Full 25% withholding and risk of double taxation (re-taxed locally with no credit).

! IMPORTANT

The exact treaty rate depends on the country, the type of income (lump sum vs periodic) and the nature of the pension. Official reference: the CRA's non-resident tax calculator and Information Circular IC76-12R8. Confirm for your own situation.

Action: if you're still choosing your country, make the tax treaty part of the decision. If you're already there, verify the applicable rate and file an NR5 if your actual rate is lower.

SUMMARY & TOOLS

15 · OPTIMIZATION

5 optimization strategies

The common thread: coordinate RRSP, TFSA, non-registered, OAS and CPP as one single plan — not five isolated decisions. That's where tens of thousands of dollars get won (or lost) over a retirement.

1. The drawdown order.

Empty the TFSA first (neutral and invisible to income), then the RRSP/RRIF at a controlled rate, keeping the government pensions for last — they grow while they wait.

2. Convert the RRSP to a RRIF.

To access the reduced 15% withholding on periodic payments (under treaty), rather than 25% on a lump-sum withdrawal.

3. Manage the OAS clawback.

Smooth withdrawals, shift gain realization to another year, and use the TFSA to generate cash without inflating the net income that triggers the recovery tax.

4. Defer the pensions.

If health and savings allow, pushing OAS and CPP to 70 raises a guaranteed, indexed income for life.

5. The NR5 and the right country.

File the NR5 to reduce withholding when your actual rate is lower, and favour a country of residence with a tax treaty.

SUMMARY & TOOLS

16 · ACTION PLAN

The departure roadmap

The good decisions get made before you change residence. Milestones:

6 TO 12 MONTHS BEFORE DEPARTURE	Verify the target country's tax treaty · plan the withdrawal order · decide the TFSA's fate · crystallize/organize the non-registered accounts (deemed disposition) · confirm your broker's non-resident policy.
AT DEPARTURE	Notify your financial institutions of non-resident status · notify Service Canada and provide your address abroad · file the departure return (T1243/T1244 if needed).
EVERY YEAR AFTER	Report worldwide income to the CRA (OASRI for OAS) · file the NR5 when advantageous · revisit the drawdown strategy, allocation and currency transition.
IF YOU SELL A PROPERTY IN CANADA	Prepare the T2062 certificate **before** signing · calculate the principal residence exemption (years +1) · plan where the sale proceeds will live (chapters 07 and 10).
APPROACHING 60-65-70	Decide when to take CPP and OAS · submit your applications through Service Canada · weigh deferral vs taking it now.

THE REFLEX TO KEEP

Once you're a non-resident, certain doors close (contributions, crystallization). **Sequencing decisions before departure is often worth more than any return.**

SUMMARY & TOOLS

17 · WHAT APPLIES ACROSS THE BOARD

The expat checklist

Check off each step as your preparation moves along.

- ☐ Choose (or verify) a country of residence with a Canadian tax treaty to avoid double taxation.
- ☐ Confirm your broker's non-resident policy (restriction, closure, deadlines).
- ☐ Plan the deemed disposition on your non-registered account (T1243/T1244 if needed).
- ☐ If a property sale is coming: prepare the T2062 certificate and the principal residence exemption.
- ☐ Notify Service Canada of your departure and your address abroad.
- ☐ Report your worldwide income every year to the CRA (OASRI for OAS).
- ☐ Verify how each account is taxed in your new country (especially the TFSA).
- ☐ Plan the order and timing of withdrawals (RRSP / RRIF) around your residency status.
- ☐ Define your reference currency and the transition plan for existing assets.
- ☐ Verify how your estate would be handled in your new country (wills, beneficiaries, local default rules).
- ☐ File the NR5 if a withholding reduction works in your favour.
- ☐ Confirm the 20-year residence test to take OAS abroad.
- ☐ Decide when to take CPP (60-70) and OAS (65-70).

SUMMARY & TOOLS

17 · AT A GLANCE

Comparison table

	RRSP / RRIF	TFSA	NON-REGISTERED	OAS	CPP
CAN YOU KEEP IT?	Yes — stays open and keeps growing	Yes — but no contributions	Often restricted or closed by the institution	If residence ≥ 20 years after age 18	If you contributed during your career
NON-RESIDENT WITHHOLDING	25% (↓ 15% on periodic RRIF payments if treaty)	No Canadian withholding	0% on gains from listed securities; 25% on dividends (↓ treaty)	25% (unless treaty)	25% (unless treaty)
EXPORTABLE?	Yes — withdrawals from abroad	Yes — free withdrawals	Yes — transferable and restructurable internationally	Yes if ≥ 20 years (or social security agreement)	Yes — for life, anywhere
2026 AMOUNT	Depends on your savings	Depends on your savings	Depends on your savings	≈ $740-814/month max	≈ $1,500/month max; ≈ $850 average
MAIN TRAP	Withdrawal timing vs residency status	Often re-taxed by the new country	Deemed disposition on departure; autopilot afterwards	Clawback from $93,454; GIS stops after 6 months	Taking it at 60 locks in a 36% cut for life

And your property? It remains TCP: principal residence exemption (+1) and a T2062 certificate at sale — see chapter 07.
2026 amounts and thresholds, indexed annually (OAS quarterly). Educational document — verify the figures in force before deciding.

SUMMARY & TOOLS

18 · WHAT TO AVOID & WHAT TO KNOW

Common mistakes

- [ ] Cashing out the entire RRSP in the year of departure while still a resident — marginal rate instead of 25%.
- [ ] Continuing to contribute to the TFSA as a non-resident — 1%/month penalty.
- [ ] Believing the TFSA is "tax-free" everywhere — it's often re-taxed locally.
- [ ] Leaving the non-registered account on autopilot after departure — base reset, zero tax reason to keep the same portfolio.
- [ ] Selling your property without a T2062 certificate — 25% of the gross sale price frozen while you wait.
- [ ] Ignoring the 20-year residence test for OAS — risk of losing the pension abroad.
- [ ] Forgetting to report worldwide income — OAS interruptions and a miscalculated clawback.
- [ ] Settling in a country without a treaty — double taxation and full withholding.
- [ ] Leaving without an international estate plan — probate in multiple countries and local default rules.

FAQ

Do I have to close my accounts when I leave?

No. RRSP, RRIF and TFSA can stay open. It's the withdrawals and contributions that are regulated. The non-registered account depends on your institution's policy — check before you leave.

Can my broker really restrict or close my account?

Yes. Several institutions switch non-resident accounts to "hold only" or close them with a deadline to liquidate or transfer. It's regulatory, not personal.

Will I receive my OAS and CPP abroad?

CPP: yes, for life, anywhere. OAS: yes if you have ≥ 20 years of Canadian residence after age 18 (or through a social security agreement).

How do I reduce the 25% withholding?

Live in a treaty country, convert the RRSP to a RRIF (periodic payments), and file the NR5 if your actual rate is lower.

SUMMARY & TOOLS

18 · REFERENCE

Glossary

Tax non-resident
A person whose centre of vital interests is no longer Canada; taxed only on certain Canadian-source income.

RRIF
Registered Retirement Income Fund — the RRSP's "drawdown phase", with mandatory minimum payments.

Withholding tax
Tax taken directly by the payer before the money reaches you.

Tax treaty
A bilateral agreement that divides taxing rights and prevents double taxation.

Deemed disposition
On departure, the CRA treats certain assets as sold at fair market value.

TCP (taxable Canadian property)
The category of assets that remain taxable in Canada after departure (including real estate). Listed securities generally aren't part of it — hence the 0% on their future gains.

T1243 / T1244
Departure-return forms: the list of deemed-disposition assets, and the election to defer paying the departure tax (with security).

T2062
Certificate of compliance for a non-resident selling Canadian property — without it, 25% withholding on the gross sale price.

Reference currency
The currency you'll actually spend your retirement in — the one to progressively align your portfolio with.

Clawback (recovery tax)
The tax that takes back OAS above an income threshold (15% per excess dollar).

NR5
The form to get non-resident withholding reduced when your actual rate is lower.

OASRI
The annual Old Age Security Return of Income for non-residents.

GIS
Guaranteed Income Supplement — not exportable, stops after 6 months outside Canada.

CPP / QPP
The public pension plans: CPP across Canada (Service Canada), QPP if your career was in Québec.

Principal residence exemption
Exempts the gain on your property for the years it was your principal residence, plus one (the "plus-one" rule).

Asset segregation
Your assets are held separately from the institution's balance sheet — they don't end up with its creditors if trouble hits.

Open architecture
Access to the whole market (ETFs, funds from every house, direct securities) rather than one institution's house products only.

Probate
Court validation of the will before institutions release assets — repeated in every jurisdiction involved.

▶ GO FURTHER

Find the video version of this guide in the Capital Nomade space.

SO, NOW WHAT?

See yourself in any of this?

Selling your house and don't want that money sitting in Canada? A **TFSA that's now taxable** and nobody's managing? **Non-registered money on autopilot**? **No retirement plan**, finances scattered across two or three countries, no idea how to invest as a non-resident?

Then get in touch. This is exactly what we solve.

Am I eligible to work with you?

Check your eligibility →

2 MINUTES · FREE · NO COMMITMENT · ELIGIBILITYVERIFICATION.CAPITALNOMADE.COM

No time slot to book: if your profile is a fit, a member of our team calls you back shortly.

Not ready yet? Learn more first:

▶ Our YouTube channel (in French) **▶ Client testimonials**

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