



Where will my retirement income come from?

### Retirement income comes in many forms



#### 1 Government Programs

- Old Age Security
- Canadian Pension Plan
- Quebec Pension Plan
- Guaranteed Income Supplement



#### 2 Group Savings

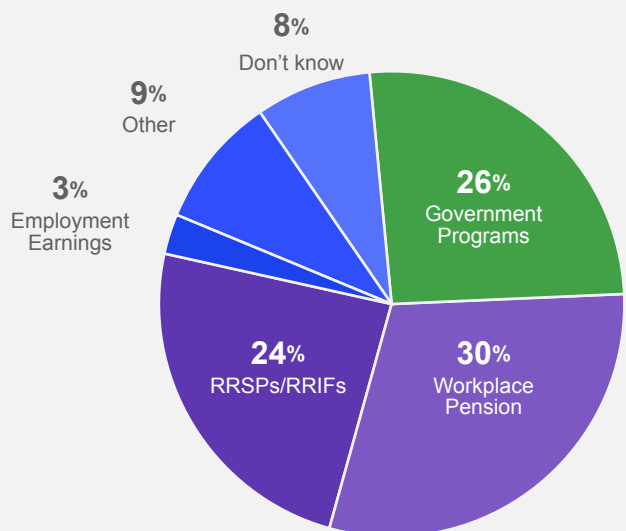
- Defined benefit plan
- Defined contribution plan
- RRSP
- DPSP
- QSPP



#### 3 Personal Investments

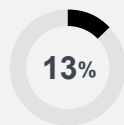
- Non-work RRSPs
- TFSA
- Non-registered investment account
- Sale of home or other property
- Rental income

### Sources of anticipated retirement income (2014)

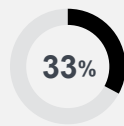


Source: Statistics Canada, 2014: <https://www.statcan.gc.ca/pub/75-006-x/2016001/article/14360-eng.htm>

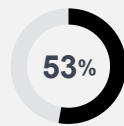
### Are you prepared?



Only 13% of Canadians with plans to retire have an accurate estimate of how much they need for retirement.



33% of Canadian pre-retirees are concerned they won't have enough to live on during retirement.



Only 53% of Canadians over the age of 50 have received advice from a financial advisor.

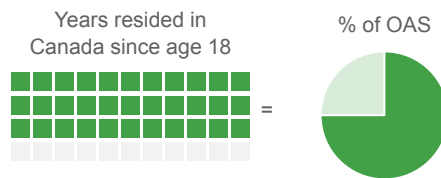
Source: Financial Life Stages of Older Canadians Report, 2015: [http://www.osc.gov.on.ca/documents/en/Investors/inv\\_research\\_20150601\\_report-life-stages-older.pdf](http://www.osc.gov.on.ca/documents/en/Investors/inv_research_20150601_report-life-stages-older.pdf)



How can I generate income from government programs?

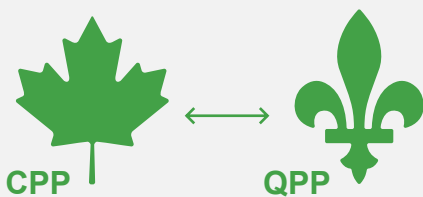
Old Age Security (OAS) simplified

- Comes from federal government so it's federally legislated. It's also fully taxable as income.
- The OAS pension is a monthly payment you'll receive for life and it's indexed quarterly.
- For maximum payout, you must have resided in Canada for at least 40 years since age 18.



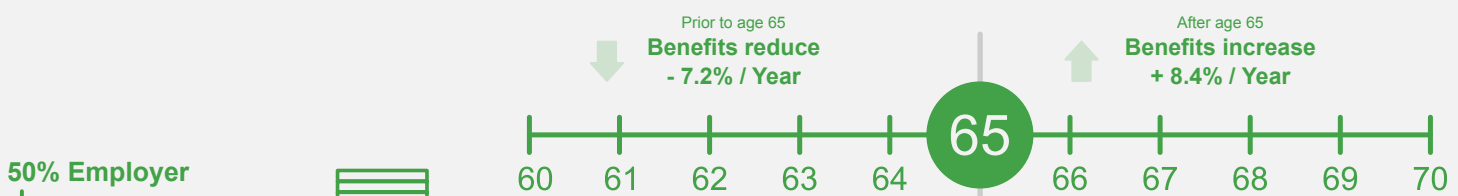
- Those who haven't resided in Canada for at least 40 years since age 18 will have their amount prorated by the years they have resided in Canada i.e. 30 years = 75% of full amount.

**!** Those who need it most will be prioritized.  
If your income is too high, your OAS pension could be "clawed back" or even canceled.



CPP and QPP are two peas in a pod

- The Canadian Pension Plan (CPP) and the Quebec Pension Plan (QPP) benefit payouts are currently the same. You cannot receive both.
- Your CPP and QPP benefit payments will be paid from the plan according to your province of residence at retirement.
- You can apply for and receive your benefit as early as age 60 or postpone it to as late as age 70.



- You contribute to CPP (50%) and your employer contributes to CPP (50%).

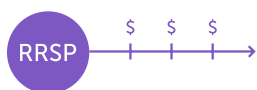
- There's a threshold – Yearly Maximum Pensionable Earnings (YMPE) – to which we can contribute towards the CPP. Anyone with a salary above this amount will, at some point, stop contributing to the CPP because they would have maxed it out. Visit the [CPP](#) or [Retraite Québec](#) website to verify your personal statement.



How can I create income from group savings?

Reap the rewards of your Registered Retirement Savings Plan (RRSP)

There are a few ways to withdraw money from the most common retirement vehicle, your RRSP.



Life Annuities

Purchased through an insurance company, annuities allow you to take the full amount that is in your RRSP, and the insurance company will give you a fixed payment for the rest of your life.



Registered Retirement Income Fund (RRIF)

You can convert your RRSP into a RRIF which will allow you to perform your withdrawals with added flexibility. You can withdraw the minimum or anything above it.



Full Withdrawal

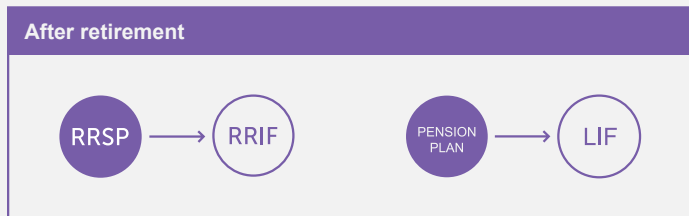
Withdrawing the full amount in cash is the least recommended but can be best if you have a small RRSP balance. The only reason this can work with a small amount in your RRSP is because all withdrawals are fully taxable.



Remember, you can use any combination of the above methods. What works or appeals to one person may not be the best solution for someone else.

Defining the defined contribution pension plan

- The defined contribution plan is very similar to an RRSP. The major difference is seen when it's time to withdraw funds.
- If you purchase an annuity and take the full amount in your defined contribution pension plan, a life insurance company can help setup an annuity to get a fixed payment for the rest of your life, or you can turn it into a Life Income Fund (LIF). Retirement Counselors can help with this.



	RRIF	LIF
MIN yearly withdrawal	✓	✓
MAX yearly withdrawal	○	✓
Choice of investments	✓	✓

A Life Annuity means cash for life


- An annuity is great for someone who doesn't want to choose their investment option or is extremely risk averse.
- It gives you income for life, so essentially, you will never run out of money.
- You could set it up so that you get a guaranteed amount until you pass away or set it up so that it gets transferred to your spouse and they get a certain amount until they pass away.



**How can I create income from personal investments?**

**Moving beyond government and group savings**

- A Tax-Free Savings Account (TFSA), or a non-registered investment account can make a huge difference on the taxes due to the government at the end of the year.
- With a TFSA, anytime you withdraw from it, the funds are transferred directly to your bank account and you will not have to pay any taxes on it.
- With a non-registered investment account, the capital that you put into the account is not taxed, however any gains that you may earn on your capital will be taxed on a yearly basis.
- Some people count on the equity they have in their house, or maybe the proceeds of the sale of a house. You could also have received proceeds from an estate after a family member passed away.

 Please contact our Retirement Counselors anytime to review your personal details and to provide you with the exact figures that are relevant for you.

**Retirement Redefined – The all-in-one retirement planning platform**

**What is it?**

A multi-channel retirement planning platform that not only provides tools, information and guidance to help plan your retirement finances, but also your health and lifestyle, too.

**What does it do?**

By taking a personal approach to each member – by considering age, number of years before you wish to retire, income, savings and personal lifestyle goals – it helps you design the lifestyle you want for your retirement and provides you with the guidance to get you there.

**Our Retirement Counselors look forward to hearing from you.**

**Contact us at your earliest convenience to get on the road towards the retirement you’ve always dreamed of.**



Visit us anywhere, anytime!  
Access your retirement plan anywhere you go  
by visiting [retirementredefined.ca](http://retirementredefined.ca)



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**Redefine my Retirement**