



Retirement planning guide

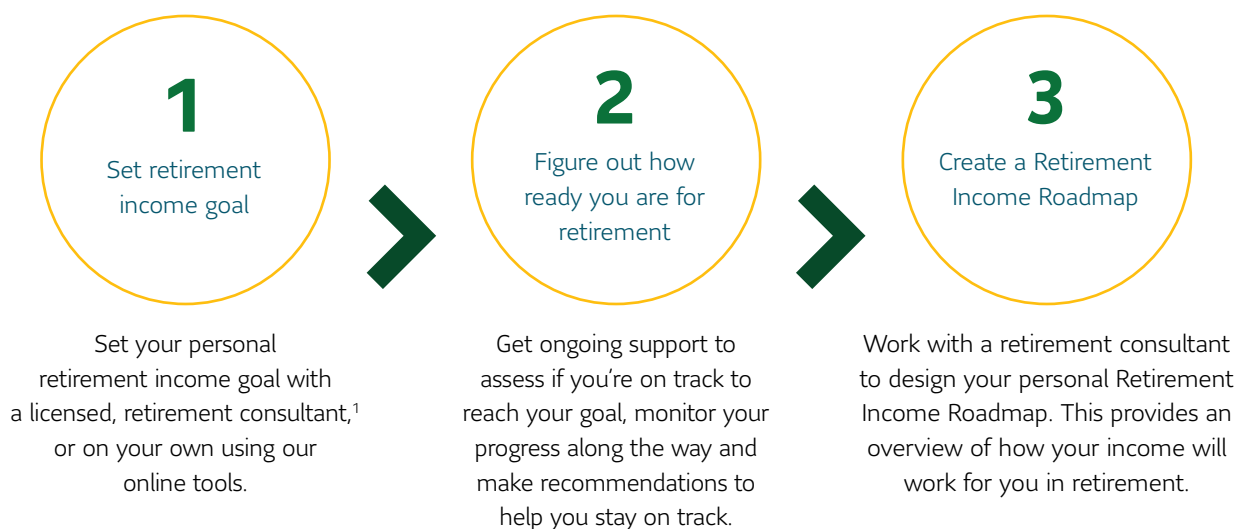
A guided path to help you on your retirement journey





Do you know how much money you need to retire?

We understand that planning for retirement can be a challenge. With support from licensed experts, you'll always have a way forward. We'll show you how to start the journey in three easy steps and answer some common questions along the way.



We're here to help on each step of your retirement journey. Call 1-866-224-3906, Option 1, to speak to a licensed retirement consultant. Monday to Friday, 8 a.m. to 8 p.m. ET

A look inside

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¹ Registered as financial security advisors in the province of Quebec (this applies to all mentions of the retirement consultant title in this brochure). Sun Life retirement consultants can provide advice on products distributed through the Client Solutions Centre.

Step 1: Defining your retirement income goal

Let's start by figuring out how much income you'll need for your retirement. This is important because you need to plan for the lifestyle you want to live during retirement.

How much do you need?

The amount you will need is unique to your situation. When you are further from retirement, using 50% to 70% of your pre-retirement income as a guide might be helpful. However, as you get closer to retirement, it is important that your goal be customized to your lifestyle and needs.




Speak with a licensed Sun Life retirement consultant to create a plan that will help you reach your goals.

What retirement lifestyle do you want to live?

Before determining your income goal, think about how you want to live and what you want to do in retirement.

- **What's important to you?** Think about your needs, wants and dreams to help you define what retirement means to you.
- **What will you do in retirement?** Retirement often means spending more time doing the things you already enjoy: Travel, sports, gardening, volunteering, hobbies, family time. You might also decide to continue working part time doing something you love. Think about the financial costs that go along with how you plan to spend your time.
- **How will your expenses change throughout retirement?** Some costs will stay the same in retirement, while others will increase or decrease. Think about the categories in the table below and how they'll change based on your retirement lifestyle.

How expenses may change as you approach/transition into retirement

Stay the same 	Decrease 	Increase 
Basic living: Food, clothing, shelter and anything that's non-negotiable for you. Protection: Insurance solutions to protect your income, health and family.	Saving for retirement: You're turning savings into retirement income. Taxes: You're generally paying less tax because your income is lower. Work-related costs: You'll no longer be commuting, buying lunch or 'work' clothes, or paying for dry cleaning.	Lifestyle: Things you want to do that aren't basic living expenses, such as travel, donations, winter home. Health: Health expenses that could happen as you age.

How do you determine your goal?

Once you've thought about the retirement lifestyle you want to live, you have options on how to figure out your retirement income goal:

Create a goal on your own:

If you prefer to complete this step yourself, you can use the **Retirement planner** on mysunlife.ca. Find the tool by signing in to your account and selecting **my financial centre > my money tools > Retirement planner**.

Work with a retirement consultant:

If you're within 5 years of retirement, you have the support of Sun Life retirement consultants to help create your goal. A licensed retirement consultant can provide personalised help, guide you through the goal-setting process, and make sure you're creating a realistic goal. Work with a retirement consultant today by calling **1-866-224-3906**, select Option 1, 8 a.m. to 8 p.m. ET, Monday to Friday.

How do you track your progress?

Whether you work with a retirement consultant, or on your own, there are online tools available on mysunlife.ca to help you plan:

- The **Retirement planner** shows you how much monthly retirement income you're on track to have, and can help you track progress towards your goal.
- The **Asset allocation tool** helps you choose the right investment mix based on your financial goals and risk tolerance.
- The **Registered Retirement Income Fund (RRIF) calculator** shows you how much income you can expect from your RRIF.

To find these tools, sign in to mysunlife.ca using your sign-in/access ID and password and select **my financial centre** from the right side of the **Home** page. Then select **my money tools** from the **Resource Centre** drop down menu.

Retirement planner

Chat Live Now

ABC Retirement Programs
Account #: 00000000000000 As of: 04 May 2021

DAVID, here's where you are with your current retirement savings:

- Your goal is to retire at 65.
- Your projected income will likely be \$6,760 per month.

Complete all the information below to get a better estimate of your retirement age.

Congratulations, you're currently on track to reach your goal.

You'll likely work until:


65


if your retirement goal is \$6,600 per month.


Here's how we calculate your goal


We use the following information to calculate your retirement goal.

Please review these sections so we can give you a better look into your retirement.

**ABOUT ME**
(Age, residence)
[Edit](#)

**CURRENT INCOME**
(Workplace & other sources)
[Edit](#)

**CURRENT SAVINGS**
(Sun Life & other places)
[Edit](#)

**OTHER RETIREMENT INCOME**
(Pension income, CPP/QPP, OAS)
[Edit](#)

A word about debt:

Retiring with debt may have a big impact on your income needs. While you should aim to pay off your debts before retirement, you will need to factor debt repayments into your retirement income goal if you cannot.

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Step 2: Looking at your retirement readiness

The next step is checking how ready you are for retirement. This involves more than just making sure you have enough money. It's also about learning and making decisions during your working years to help you prepare for retirement.

Where will your retirement income come from?

In Canada, you typically have three sources of retirement income.

Workplace savings plans – money you and your employer have contributed to a workplace-sponsored plan. You may also have past employer plans to consider.

Personal savings – money you have in personal accounts outside of Sun Life. This might include bank accounts, RRSPs and TFSAs, or income from part-time work.

Government programs – money from government-sponsored programs that provide a basic level of retirement income.

What government programs are available?

There are three government programs available to Canadians:

Canada Pension Plan (CPP) Quebec Pension Plan (QPP)	Old Age Security (OAS)	Guaranteed Income Supplement (GIS)
What is it? A pension paid for life to anyone who made at least one valid contribution during their working years.	What is it? A benefit paid for life to anyone age 65 or older who has lived in Canada for at least 10 years from when they were 18 years old.	What is it? A supplemental benefit for lower-income seniors, age 65 or older.
How do payments work? You receive a monthly pension payment based on how much you contributed during your working years. You qualify for your full pension at age 65. You can take a reduced pension as early as age 60 or delay payments as late as age 70 to receive a higher monthly amount. Payments are taxable.	How do payments work? Your monthly benefit amount depends on how long you've lived in Canada. Some or all of your monthly payment may be subject to a clawback, if your annual taxable income is above a specified threshold. You can delay payments as late as age 70 to receive a higher monthly amount. Payments are taxable.	How do payments work? Your monthly benefit amount varies based on your income. You must be receiving OAS payments and your total annual income must be below a certain threshold to qualify. Payments are not taxable.
When should you apply? You should apply at least six months before you want to start receiving payments.		
Where can you learn more? CPP & OAS: www.canada.ca/en/services/benefits/publicpensions.html		Where can you learn more? QPP: www.rrq.gouv.qc.ca

What risks do you need to consider?

There are four major risks to address, both during your saving years and during retirement. A qualified professional, like a Sun Life retirement consultant, can help ensure you're taking the right steps to deal with each one.

Inflation risk



What is it? The effect of cost increases on what your savings can buy you in the future.

How to manage it? Choose a mix of investments you expect to provide a long-term rate of return higher than the expected rate of inflation.

Market risk



What is it? The impact of investment market movements on the value of your retirement savings.

How to manage it? Adjust your investment mix based on how close you are to needing your money.

Health risk



What is it? The impact of unexpected health events on your income and savings.

How to manage it? Put the right protection solutions in place, including health and dental, critical illness insurance and long-term care insurance.

Longevity risk



What is it? The danger of running out of money because of how long you live.

How to manage it? Consider guaranteed income solutions, like annuities. These provide a fixed amount of income for as long as you live.

What about investment management fees?

All professionally managed investment funds have fees. It's important to know what fees you're paying and save on fees if you can. When you pay lower fees, more of your money stays invested in your account. This can have a big impact on how much you'll have for retirement and how long that money will last during retirement.

Saving 1% a year in fees over 30 years could mean over \$45,000 more for retirement!

Assumptions: You save \$4,000 on January 1 each year, for 30 years, earn a 5.75% gross rate of return and pay your fees at year-end.



Make looking after your savings easier by combining them in the University of Saskatchewan Group Retirement Fund

If you have other registered savings outside the **University of Saskatchewan Pension Plan**, you can combine it all in one spot. Not only will it make looking after your money easier, but you may save on fees too. To get started, give us a call and a retirement consultant will walk you through your options.

Step 3: Designing your Retirement Income Roadmap

The final step of your retirement journey involves putting your plan into action. A licensed Sun Life retirement consultant can guide you using a personalized Retirement Income Roadmap. This includes income and investment recommendations.

When do you plan to retire?

Your planned retirement age determines your retirement income options. In general, the later you plan to retire, the more options you'll have available for retirement income.

Retirement income options increase with age

		60-70	65 or later
		Canada Pension Plan / Quebec Pension Plan	Old Age Security
55-59	Retirement savings converted to income		
	Annuities		
	Workplace pensions		
Before 55	Personal savings		
	Part-time employment income		



What happens when you turn 71?

When you turn 71, the federal government requires you to change your registered savings (like pension plans, RRSPs and LIRAs) into retirement income before the end of the year. While you have to set up your retirement income account in the year you turn 71, you can delay your first income payment until the end of the following year.

You can consider waiting to age 71 to convert your RRSPs or LIRAs. You'll give yourself retirement income flexibility and tax-deferred savings growth. You can make withdrawals from non-locked-in RRSPs any time, without any minimum or maximum restrictions.

About the University of Saskatchewan Pension Plan

You've worked hard to save for your future. That's why, when the time comes to convert your retirement savings to retirement income, it's important you understand your options and feel confident with your choice. As a member of the **University of Saskatchewan Pension Plan** you have the following options:

- a University of Saskatchewan Group PRIF/RRIF with Sun Life
- a PRIF/RRIF with another financial institution
- an annuity with Sun Life or another insurer

The **University of Saskatchewan Group Retirement Fund** is a custom product available exclusively to members such as yourself, who participate in the **University of Saskatchewan Pension Plan**.

For additional information, please contact the University of Saskatchewan Pensions and Benefits office at: **306-966-6633** or via email at **pension@usask.ca**.

How do you turn your retirement savings into income?

Savings plan	Retirement income option
DCPP LIRA	<p>Prescribed Retirement Income Fund (PRIF)</p> <p>A PRIF is like a Registered Retirement Income Fund (RRIF), with the exception that a PRIF may be creditor-protected, meaning creditors may not be able to access PRIF funds in the event of insolvency or bankruptcy, and you can only transfer locked-in retirement funds into a PRIF.</p> <ul style="list-style-type: none"> Your savings are tax-deferred until withdrawn. You make all investment decisions. You must withdraw a certain amount each year, based on your age. <p>There is no withdrawal maximum.</p>
DCPP RRSP	<p>Registered Retirement Income Fund (RRIF)</p> <p>A RRIF is like a continuation of your RRSP, but instead of contributing to your savings you withdraw money as retirement income.</p> <ul style="list-style-type: none"> Your savings are tax-deferred until withdrawn. You make all investment decisions. There is a minimum amount you must withdraw each year, based on your age. There is no withdrawal maximum.
RRSP DCPP LIRA TFSA NREG	<p>Annuity</p> <p>An Annuity is a contract from a life insurance company. You make a lump-sum payment up front and receive a fixed payment for a specified term or for the rest of your life. For a cost, you can add enhancements like inflation protection, a guaranteed payment period, and survivor benefits.</p> <ul style="list-style-type: none"> The life insurance company makes all investment decisions. Annuities bought with locked-in savings must follow the pension laws in your province or territory.
DBPP	<p>Monthly pension payment</p> <p>A Defined Benefit Pension Plan (DBPP), if offered by another employer, provides a fixed monthly payment based on a pre-determined formula defined by the plan.</p>
RRSP TFSA NREG	<p>Cash</p> <p>Many savings products allow cash withdrawals without converting your savings into income. In some cases, there are tax implications when making a cash withdrawal.</p>
<p>A note about taxes:</p> <p>Most retirement income sources are taxable. If you draw too much income, it may affect your Old Age Security payments. Talk to a retirement consultant about income splitting with a spouse, and about tax-efficient, non-registered income sources, like life annuities.</p>	

LEGEND

DBPP	Defined Benefit Pension Plan
DCPP	Defined Contribution Pension Plan
RRSP	Registered Retirement Savings Plan
LIRA	Locked-in Retirement Account
NREG	Non-registered Savings Plan
TFSA	Tax-Free Savings Account

What to consider when choosing among income options?

For registered savings, like DCPs and RRSPs, your retirement income decision generally comes down to a choice between a registered income solution, like a PRIF or RRIF, an annuity, or a combination of these. The product or combination is an important decision.

	PRIF/RRIF ³	Annuity
Income options	Flexible. You can take income as needed (subject to annual minimums/maximums). Any registered savings and pension money accumulated in any jurisdiction can be invested in a PRIF/RRIF.	Payments are a set amount each month or year. The purchase of an annuity is irreversible.
Age	Depends on jurisdiction. In Saskatchewan, the minimum age is 55.	For registered money: 18 -100 Non registered money: 0 -100
Longevity risk	You could outlive your money.	Depending on the type of annuity you choose, your payments can be guaranteed for life, which means you'll never outlive your money.
Market risk	Since you make all investment decisions, you benefit from gains and assume the risk of potential losses.	The life insurance company makes all investment decisions and assumes all the risk.
Inflation risk	PRIF withdrawals can be indexed to inflation. You assume the risk of ensuring you earn at least as much as you withdraw each year, otherwise your account balance will deplete over time.	At the time of purchase you can choose to have your payments indexed to inflation.
Death benefit	Your account balance may be transferred tax-free to your spouse and, depending on the situation, payments may continue to your spouse in the event of your death. You may be able to leave your remaining savings to your estate or beneficiary.	Joint annuities allow you to guarantee financial security and lifetime income to a spouse. You may also choose a guaranteed payment period. Otherwise, you leave nothing for your estate.
Tax withholding	Tax will automatically be withheld on the portion of the payment that exceeds the minimum amount. You can request to have more tax withheld.	Payments from an annuity purchased with registered money (except for TFSA) are fully taxable in the year they are received. For payments from an annuity purchased with non-registered money or TFSA money, only a portion of payments is taxable when received. Payments from an annuity purchased with registered money (except for TFSA) will have tax automatically withheld on the full payment amount. Payments from an annuity purchased with other types of savings will have no tax withholding. You can request to have tax withholding.

³ The University of Saskatchewan Group Retirement Fund not only includes PRIF and RRIF options available under Saskatchewan pension legislation, but also includes LIF and LRIF options offered in other pension jurisdictions. This availability will allow for investments in your pension plan that originated from plans in other pension jurisdictions to comply with regulations in those pension jurisdictions. Speak with a retirement consultant for more information.

**For pension money accumulated in Quebec there is no minimum age.

Taking action for your future

We've covered a lot of information. It's best to take it one step at a time and know that you're not alone in your retirement journey. Support is always available to help guide you through the process.

Contact a retirement consultant

A licensed retirement consultant can:

- Answer any questions you have about retirement.
- Work with you to create a personalized Retirement Income Roadmap.
- Explain retirement income and insurance solutions, and help you complete any forms.
- Consolidate your savings to help simplify your retirement income streams.

Call 1-866-224-3906, Option 1, to speak with a licensed retirement consultant.

Monday to Friday, 8 a.m. to 8 p.m. ET.

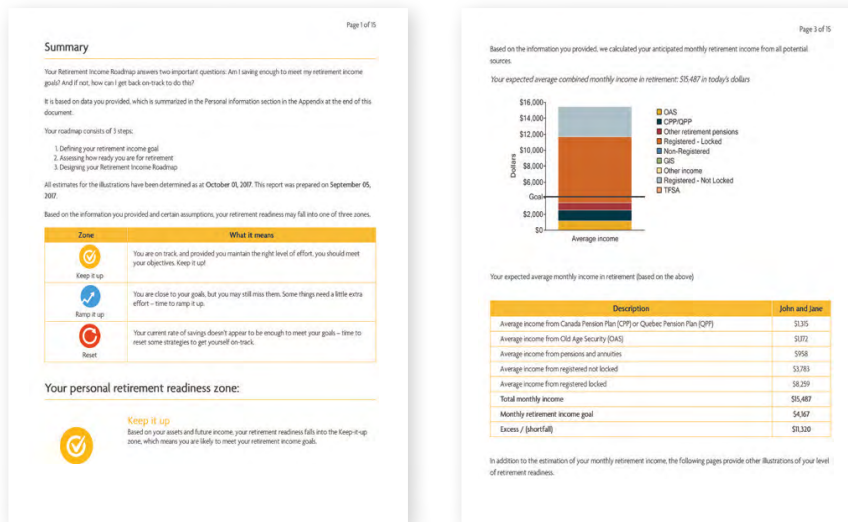


How do you bring it all together?

The best way to decide on the right income solutions for you is to work with a qualified professional, like a Sun Life retirement consultant. A retirement consultant looks at your entire financial picture when creating your **Retirement Income Roadmap**, so you have a detailed plan in place. You'll also get a copy of the document, which lets you review the recommendations and income projections as you get later in retirement.

Include your spouse to see the full picture

A retirement consultant can create a joint Retirement Income Roadmap that includes both you and your spouse's information.



What others are asking

How will I know if I can afford to retire? Can a Sun Life retirement consultant help me compare the income, potential estate value and security of income for the different options available through the Program?

Yes, we're here to help. Our retirement consultants can help you build a retirement income plan and compare your options. This includes creating income projections, and discussing important considerations such as income splitting.

Based on an assessment of your lifestyle, income needs and projected income, you and a retirement consultant can determine the most appropriate course of action.

If you need more comprehensive planning support, we can also refer you to a licensed Sun Life advisor in your area.

What's the difference between retirement consultants and Sun Life advisors?

- Retirement consultants are available by phone through the Client Solutions Centre. They are salaried, however they are eligible for performance bonuses. Their support is included as part of the services offered to you in the **University of Saskatchewan Group Retirement Fund**.
- Retirement consultants can provide advice on products distributed through the Client Solutions Centre.
- Commission-based Sun Life advisors operate out of local Sun Life centres across Canada, and can meet with you in person. They can provide advice on a wide range of products, and offer comprehensive financial planning, wealth and insurance, and tax and estate planning services.

Are referrals to a local Sun Life advisor free?

Yes. Speak with a retirement consultant in the Client Solutions Centre to request a referral to a Sun Life advisor at no charge.

The University of Saskatchewan has no responsibility for, and has no involvement with, the products offered by Sun Life advisors.

How can I prepare for a conversation with a retirement consultant?

Please prepare the information below:

- A recent statement from your **University of Saskatchewan Pension Plan**
- CPP/QPP, OAS statements, if applicable
- Information about non-University of Saskatchewan pension or annuity payments; other PRIF/RRIF details
- A recent statement for your spouse's savings or pension plan(s)
- Statements for any other savings.

It's also helpful if you've thought about the retirement lifestyle you want to live, including:

- What are your income needs (how much in retirement vs. how much while working)?
- What are your currently monthly expenses, including housing, transportation and lifestyle?
- How do you think your expenses will change in retirement? Think about which expenses will increase, decrease, or stay the same.
- How predictable do you need your income to be (fixed vs. variable)?
- How involved do you want to be in managing your retirement income (active vs. passive)?
- How involved do you want to be in managing your retirement income (active vs. passive)?

When you meet with a retirement consultant, they'll help you fill out a questionnaire to figure out your investment personality. This helps them recommend an investment mix that suits your needs.



Get started on your retirement journey today.

Call 1-866-224-3906, Option 1 Monday to Friday, 8 a.m. to 8 p.m. ET

Online tools to help you plan

If you prefer taking a self-serve approach, you can access online planning tools through **mysunlife.ca**. See page 4 for details on some of the tools available.

The University of Saskatchewan Group Retirement Fund

The University of Saskatchewan has chosen us to provide their retirees with a retirement income program, the **University of Saskatchewan Group Retirement Fund**.

Since the program is exclusive to University of Saskatchewan retirees, you won't find many of its benefits elsewhere. It's a smart choice for the money you've worked hard to save.

- **Ongoing guidance and support**
With support from our licensed retirement consultants, you'll enjoy expert advice over the phone throughout retirement.
- **One spot for all your savings and income plans**
Combine the savings you have elsewhere in the **University of Saskatchewan Group Retirement Fund** to see your whole retirement income picture in one spot. You may also save on investment fees!
- **Convenient ways to look after your account**
Access your account through **mysunlife.ca** and the **my Sun Life mobile app**.
- **Investment fund options**
As you do today with the **University of Saskatchewan Pension Plan**, you'll have the flexibility to choose your investments.
- **Competitive investment fees**
Keep more of your savings invested and growing. The funds in the **University of Saskatchewan Group Retirement Fund** have fees that are competitive compared to what an average investor would expect to pay for similarly managed mutual funds.

Disclaimer

We present this material as a general guideline for retirement income planning purposes, and it is current as of **June 2022**. Market conditions and other factors change over time, and this will affect either positively or negatively one or more asset classes. The investment assumptions we've used are based upon historical investment returns, and past returns may not reflect future investment performance.

In order to identify an asset allocation model that's appropriate for your individual circumstances, you should contact a retirement consultant or a qualified professional who is familiar with your personal financial circumstances and understands your tolerance for risk.

We've made every effort to ensure the accuracy of the information provided in this package. However, in the event of a conflict, the provisions of the official plan document, the Master Service Agreement, and /or the official Group Annuity Policy will apply.

Our annuity promise

Upon your election, Sun Life Assurance Company of Canada promises to provide you with an annuity payable for your lifetime using the segregated fund and guaranteed fund account balances which you are entitled to under the terms of the Plan. Your annuity payments will depend on your account balance, your age at the date your annuity payments are scheduled to begin, the type of annuity you choose and annuity purchase rates in effect. Payments will be calculated using the greater of (a) the current payout annuity rate effective at the time of calculation, and (b) a rate specified in the Group Annuity Policy. Sun Life will ensure that you receive the best payout annuity rate they can offer at that time. Speak to a retirement consultant to find out how much you may receive.

