

ARE YOU RETIREMENT READY?

my money after work

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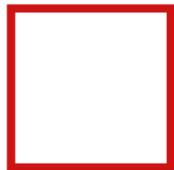


TO COLLECT A PENSION FROM THE CANADA PENSION PLAN (CPP), YOU MUST CONTRIBUTE TO CPP DURING YOUR WORKING YEARS.



TRUE.

You must work in Canada and make CPP contributions through your employer.



FALSE.

All Canadians automatically receive a pension from the CPP.



WHAT ARE THE BENEFITS OF DELAYING RETIREMENT?

True

False

If I delay retirement past 65 years old, my monthly CPP payment will increase by 0.7% for each year I delay payment.

I can delay CPP until I am 70 years old.

CPP provides no benefits past the age of 70 years old.

I can take CPP as early as 60 years old.



WHAT AMOUNT MUST I WITHDRAW FROM A RRIF/PRIF?

Whatever I like, depending on my income needs

A minimum amount according to government mandated minimums

I don't have to take an income from my RRIF / PRIF



...HOW DO I SEE MY RETIREMENT?



HOW MUCH PRE-RETIREMENT INCOME WILL YOU NEED?



70 %

- At least 70% to maintain your lifestyle in retirement

50 %

- Most retirees only need 50% to live comfortably

100 %

- You may need 100% or more to live your dreams in retirement

YOUR RETIREMENT LIFESTYLE WILL CHANGE

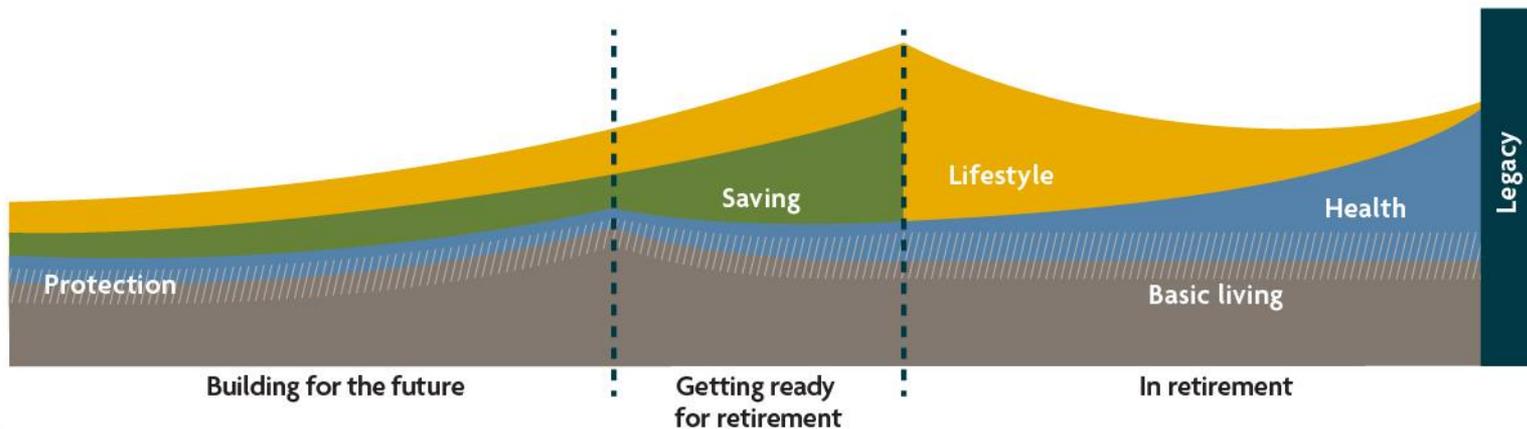


Money for Life – your changing needs

- **Basic living** - money for food, clothing, shelter and anything that's non-negotiable for you
- **Protection** - money for insurance solutions to protect your income and family

- **Saving** - money that you set aside regularly for your future needs
- **Lifestyle** - money for the things you want to do and cover personal or household expenses

- **Health** - money to cover health expenses that typically emerge as you age
- **Legacy** - money to leave behind for the next generation or a charity



How much, on average, do you spend on the following on a monthly basis?

Working Canadians Retired Canadians



Source: Sun Life Financial Retirement Now Report 2016

Base: Retirees (n=3006)
Source: 2016 Sun Life Financial Retirement Now Report



VALUE OF MONEY: HISTORICAL COMPARISON



| | 1980 | TODAY |
|--|-----------|-------------------------|
|  A “basket” of goods and services ⁺ | \$100 | \$285 ⁺ |
|  Cost of a car | \$6,715 | \$20,890 [*] |
|  Cost of a house | \$110,292 | \$503,852 ^{**} |



The rule of 72: 72 divided by the estimated inflation rate – that is approximately how many years it will take inflation to double your costs.

⁺ Inflation impact of the cost of groceries is measured by the CPI sub-index. Data source: Bank of Canada (Nov 2017)

^{*} Canadian MSRP for a 2018 Honda Civic Sedan LX

^{**} Average price for a single family dwelling in Canada, as at November, 2017



MY RETIREMENT LIFESTYLE

What will it cost?

HOW LONG SHOULD YOUR MONEY LAST?



65

Retirement



87

Canadian life expectancy



89

MY MONEY RETIREMENT PLANNER



Help | Contact us | Secure messages | Profile | Feedback | Sign out

Home | Group Retirement Services | Accounts | Requests | Resource Centre | Quick Links

my financial centre

My account: 4527722 - 01
As of: 04 May 2016

Workplace retirement plan summary



[Non-Registered Savings Plan \(NREG\)](#)

\$23,281.33

Common actions:

- [View my balance details](#)
- [View my transaction history](#)
- [Change my payroll contribution](#)



[Defined Contribution Pension Plan \(DCPP\)](#)

\$23,281.32

Common actions:

- [View my balance details](#)
- [View my transaction history](#)
- [Change my payroll contribution](#)



[Registered Retirement Savings Plan \(RRSP\)](#)

\$11,640.66

Common actions:

- [View my balance details](#)
- [View my transaction history](#)
- [Change my payroll contribution](#)

My account total: \$64,023.64

[View more](#)

my money
WEBINAR

REGISTER

TWENTY
XYZ COMPANY
Account #: 4

MONEY

CONTINUE
PLAY



Will I have enough to retire?

As of 04 May 2016

\$2,150

Estimated monthly income at retirement

57%

Estimate of current income replaced at retirement

Your income in retirement

- ▶ Your goal - \$2,250
- ▶ You are here - \$2,150

Click to view [my retirement plan](#)

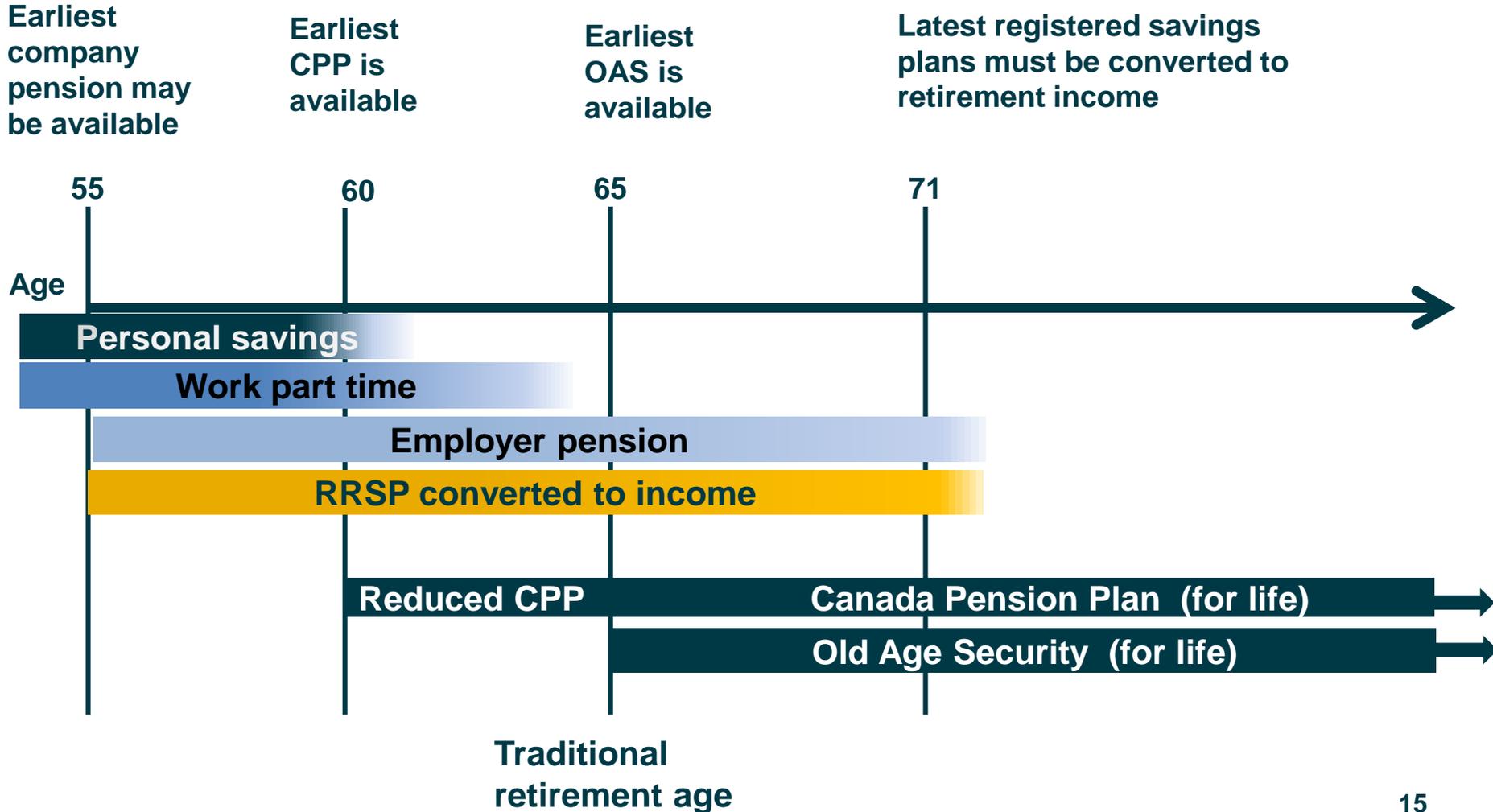
Retirement Planner



MY RETIREMENT LIFESTYLE

...prepare today for tomorrow

SOURCES OF RETIREMENT INCOME



GOVERNMENT PROGRAMS



GIS

**Guaranteed
Income
Supplement**

OAS

Old Age Security

CPP

**Canada Pension
Plan**

GOVERNMENT PROGRAMS



| | CPP | OAS | GIS |
|--------------------|--|--|---|
| Eligibility | Age 60 or older Made a contribution | Age 65 or older Lived in Canada for at least 10 years after reaching age 18 Canadian citizen or legal resident | Must be receiving OAS to qualify |
| Payments | Based on how much and how long you contributed | Based on how long you lived in Canada as a Canadian citizen or legal resident | Only available for low income Canadians |

GUARANTEED INCOME SUPPLEMENT



| Marital Status | Annual income thresholds (combined income if married) |
|--|--|
| Single | Less than \$17,784 |
| Married/common law – spouse receiving OAS | Less than \$23,520 |
| Married/common law – spouse not receiving OAS | Less than \$42,624 |
| Married/common law – spouse receiving the Allowance | Less than \$42,624 |

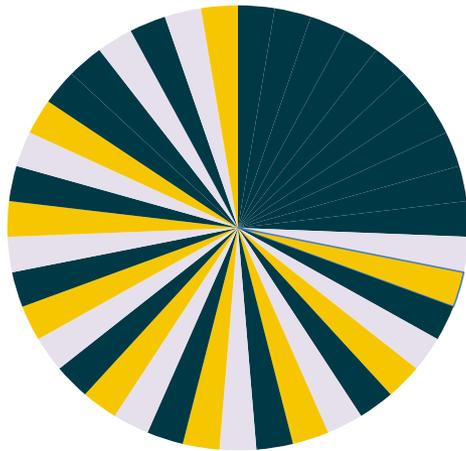
Source: canada.ca (January-March 2018)

OLD AGE SECURITY



**2018
Maximum**

**\$586.66/month
\$7,040/year**



Lived in Canada for at least 10 years after reaching age 18

1/40 for each year of residency since age 18

Example: If you had 10 years, you would be eligible for 25% of the OAS payment

CPP



2018

Canada Pension Plan (CPP)

Maximum

\$1,134.17/month
\$13,610/year

Average
(Oct 2017)

\$641.63/month
\$7,700/year

**Request your CPP contributions & benefit statement from: canada.ca
Request your QPP contributions & benefit statement from: rrq.gouv.gc.ca**

CPP – THINGS TO CONSIDER



- Are you still earning income and are you contributing to CPP?
- How long and how much have you contributed?
- What is the amount of CPP you will receive?
- Do you have other retirement income?
- Your health

SAVINGS TO INCOME



How I save now

converts to...

Income once retired

**Defined Contribution
Pension Plan (DCPP)**

Locked-in savings

- **Annuity**
- **Prescribed Retirement Income Fund (PRIF)**

ANNUITY OVERVIEW



- Series of future payments in exchange for a lump sum today
- Irrevocable once purchased
- Sensitive to interest rates at time of purchase
- Once your beneficiary passes on, payments will cease under most circumstances
- Does not require active management
- Is not affected by financial markets

ANNUITY FEATURES



- Life annuity - Annuity continues for your entire life
- Joint life or last survivor - Includes your spouse and only ends once the last person dies
- Guarantee period - The length of time that the annuity payment is guaranteed to be paid to your estate
- Inflation protection – Increases each year by inflation to protect your purchasing power throughout retirement

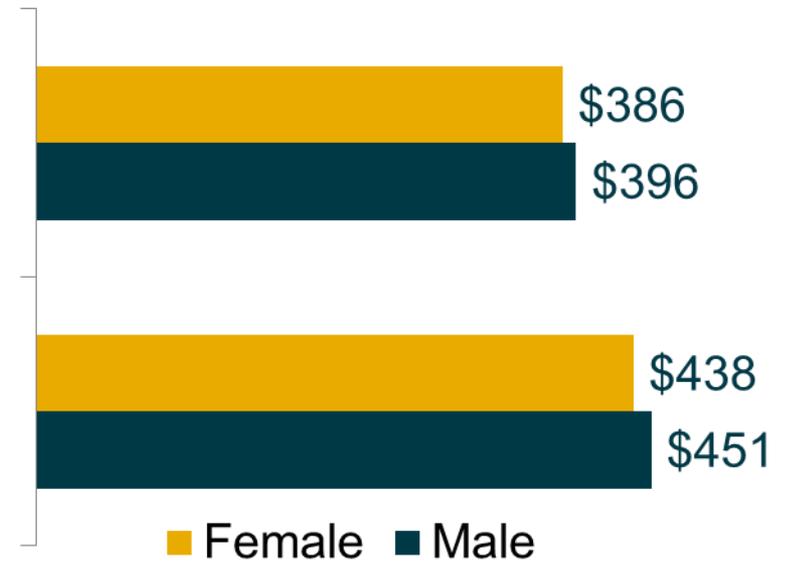
WHAT IS \$100,000 WORTH?



Single Life



Joint Life Last Survivor



Source: my money annuity premium calculator

Assumptions: Annuity purchased date payment begins, no cost-of living adjustment, payment guaranteed 10 year minimum period; joint cases, "Joint Female" refers to female annuitant, male spouse and "Joint Male" refers to male annuitant, female spouse.

Joint Life Last Survivor also assumes spouses are identical age, and that 60% of initial annuity continues following death of annuitant

UNIVERSITY OF SASKATCHEWAN GROUP RETIREMENT FUND



| Savings Products | Conversion age | Income Products |
|--|---|-----------------|
| DCPP - University of Saskatchewan 2000 Academic Money Purchase Pension Plan and University of Saskatchewan Research Pension Plan | <ul style="list-style-type: none"> • Minimum June 30 following age 55 • No later than Dec.31st of age 71 | PRIF |
| DCPP (Transfers from other provinces) | <ul style="list-style-type: none"> • Minimum age 55 • No later than Dec.31st of age 71 | LIF |
| RRSP | <ul style="list-style-type: none"> • Minimum age 55 • No later than Dec.31st of age 71 | RRIF |

THE FEATURES OF A PRIF



| | Prescribed Retirement Income Fund |
|--|--|
| When is it used? | When you're eligible and ready to convert your registered pension savings into retirement income, but no later than December 31st of the year you turn 71. |
| Eligibility | June 30th following age 55, but no later than December 31st of the year you turn age 71. |
| Minimum withdrawal amount (as set by the Federal Income Tax Act) | The Income Tax Act sets a minimum annual amount you must withdraw each year. You can withdraw any amount you wish over this minimum. You can use your spouse's age, if your spouse is younger. |
| Maximum withdrawal amount (as set by the Federal Income Tax Act) | The maximum amount you can withdraw from a PRIF is limited to the amount of money in your account. |

THE FEATURES OF A PRIF



| | Prescribed Retirement Income Fund |
|-------------------------|--|
| Spousal consent | Your spouse must sign a waiver form for you to transfer your pension funds to a PRIF. |
| Beneficiary information | You must name your spouse as the beneficiary of your PRIF. If you do not have a spouse, you can name a beneficiary of your choice. If you do not designate a beneficiary, your assets will default to your estate. |
| Death Benefit | Your spouse may elect cash or a tax shelter transfer to a RRSP/RRIF or life annuity. If you do not have a spouse, a lump sum will be paid to the named beneficiary. |
| Tax Implications | PRIF withdrawals are considered part of your annual income. In addition, withholding tax will apply to any withdrawals over the minimum. The minimum is taxable. You can also elect to withhold tax on the minimum withdrawal amount if you wish. However, assets remaining in the PRIF and their investment growth are tax-sheltered until withdrawn. |

MINIMUM WITHDRAWAL TABLE FOR PRIF

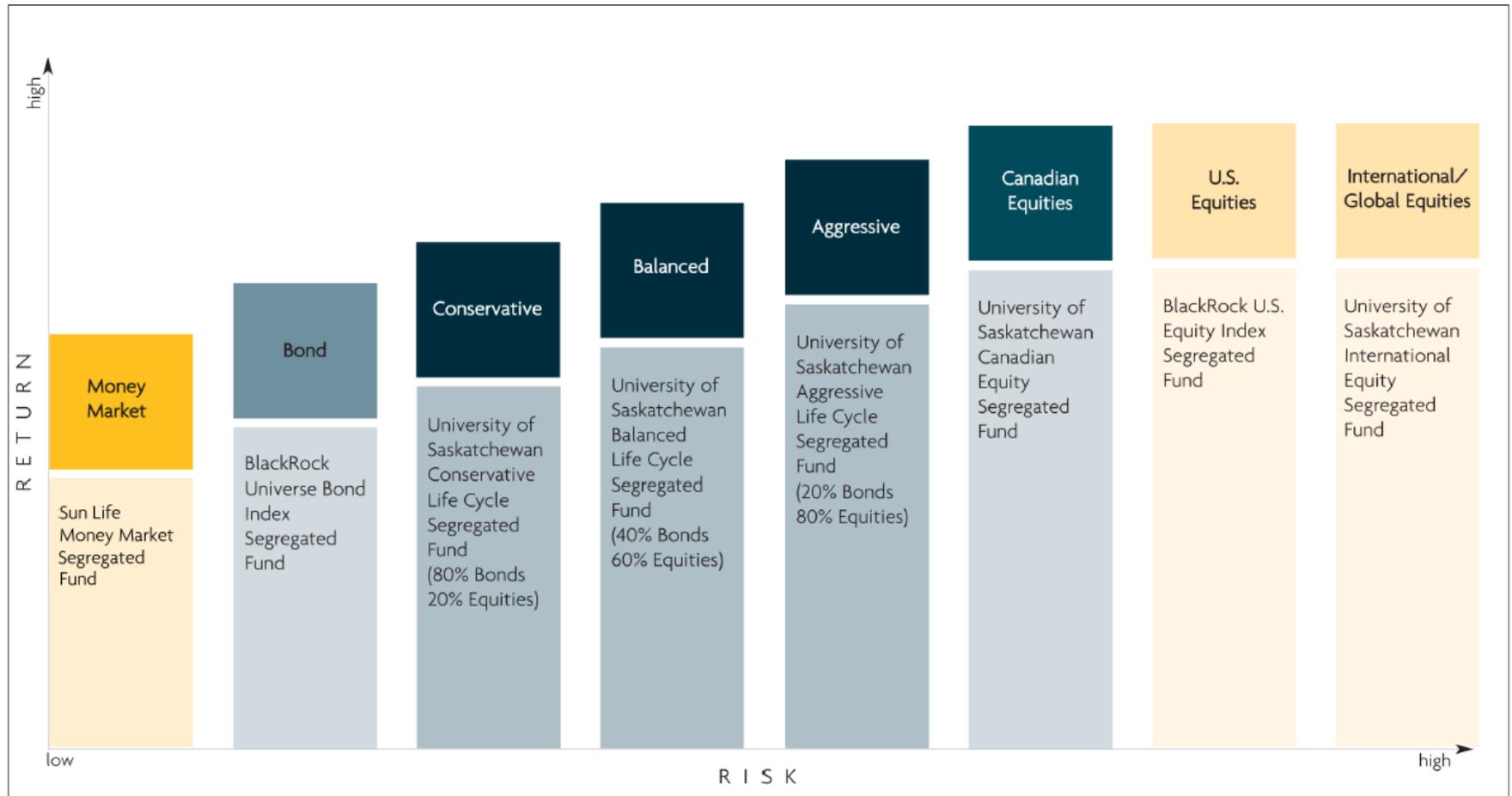


To determine the minimum annual payment, multiply the value of your prescribed RRIF as at January 1 by the rate that corresponds to your (or your spouse's) age:

Minimum withdrawal table for PRIF and RRIF

| Age at January 1 | Rate % | Age at January 1 | Rate % | Age at January 1 | Rate % |
|------------------|--------|------------------|--------|------------------|--------|
| 50 | 2.50 | 66 | 4.17 | 82 | 7.38 |
| 51 | 2.56 | 67 | 4.35 | 83 | 7.71 |
| 52 | 2.63 | 68 | 4.55 | 84 | 8.08 |
| 53 | 2.70 | 69 | 4.76 | 85 | 8.51 |
| 54 | 2.78 | 70 | 5.00 | 86 | 8.99 |
| 55 | 2.86 | 71 | 5.28 | 87 | 9.55 |
| 56 | 2.94 | 72 | 5.40 | 88 | 10.21 |
| 57 | 3.03 | 73 | 5.53 | 89 | 10.99 |
| 58 | 3.13 | 74 | 5.67 | 90 | 11.92 |
| 59 | 3.23 | 75 | 5.82 | 91 | 13.06 |
| 60 | 3.33 | 76 | 5.98 | 92 | 14.49 |
| 61 | 3.45 | 77 | 6.17 | 93 | 16.34 |
| 62 | 3.57 | 78 | 6.36 | 94 | 18.79 |
| 63 | 3.70 | 79 | 6.58 | 95 & beyond | 20.00 |
| 64 | 3.85 | 80 | 6.82 | | |
| 65 | 4.00 | 81 | 7.08 | | |

YOUR INVESTMENT OPTIONS



INVESTMENT PERFORMANCE



Morningstar @ mysunlife.ca

- Investment performance
- Fund objectives
- Make comparisons

You will require your access ID and password

YOUR FEE ADVANTAGE



| Fund categories | Fund lineup | PRIF Total* |
|-------------------------------|--|-------------|
| Life cycle | Conservative Life Cycle Fund (80% bonds, 20% equities) | 0.20% |
| | Balanced Life Cycle Fund (40% bonds, 60% equities) | 0.31% |
| | Aggressive Life Cycle Fund (20% bonds, 80% equities) | 0.36% |
| Money Market | Sun Life Money Market Segregated Fund | 0.19% |
| Bond (fixed income) | BlackRock Universe Bond Index Segregated Fund | 0.18% |
| Canadian equities | University of Saskatchewan Canadian Equity | 0.44% |
| U.S. equities | BlackRock U.S. Equity Index Segregated Fund | 0.18% |
| International equities | University of Saskatchewan International Equity Fund | 0.65% |

FMFs as at December 31, 2017. The FMFs do not include the applicable sales tax (which will be charged to your account)

* Does not include \$50 University of Saskatchewan annual administrative fee.

ADVANTAGES OF THE UNIVERSITY OF SASKATCHEWAN GROUP RETIREMENT FUND



- Access to the identical investment options that are available in the 2000 Academic Money Purchase Pension Plan and Research Pension Plan
- Retirees have access to retirement planning services from Sun Life Financial's Licensed Retirement Consultants. Normally only available through financial planners in the private marketplace
- Retirees have many options for withdrawal schedules (annual, semi-annual, quarterly, or monthly) or lump sum
- Payments from the PRIF can be made directly into your Canadian bank account

SUN LIFE FINANCIAL LICENSED RETIREMENT CONSULTANTS



As a retiring member of the University of Saskatchewan 2000 Academic Money Purchase Pension Plan and Research Pension Plan or as a member of University of Saskatchewan Group Retirement Fund, you enjoy access to licensed Retirement Consultants at no cost.

At your convenience, the Sun Life Retirement Consultants will help you understand your conversion options and other insurance and investment plans that are available to you. They will also provide you with advice and guidance on the investment funds included in your Plan and assist you in meeting your unique retirement goals.

VIRTUAL CONSULTATION



- **Sun Life Financial's Client Solutions Centre** has a team of licensed Retirement Consultants available at **1-866-224-3906 (option 1)**, any business day from 8 a.m. to 8 p.m. EST.
- Live video chats with Retirement Consultant are available at the request of a member any business day between 8:00am and 6pm ET. These are held in a virtual environment where they are also able to share their screen to display web pages, illustrations, online tools and forms.
- This allows Retirement Consultants to guide members through the retirement planning process step by step and complete any paperwork or enrollment forms together.

STAY IN TOUCH



Retirees and members of the University of Saskatchewan 2000 Academic Money Purchase Plan and Research Pension Plan who are thinking about retiring have access to the Sun Life Financial as follows:

- Customer Care Centre: **1-866-733-8612**
- Member website: **mysunlife.ca**
- Retirement Consultants : **1-866-224-3906 (option 1)**



SECURING YOUR RETIREMENT

PLAN FOR THE UNEXPECTED



Outliving your savings

The rate of return on your investments is important. You want them to be safe, but a small difference in your rate of return can make a big difference in how long your savings last.

Inflation

Costs have more than doubled in the past 40 years. What will inflation mean in the course of a 30-year retirement?

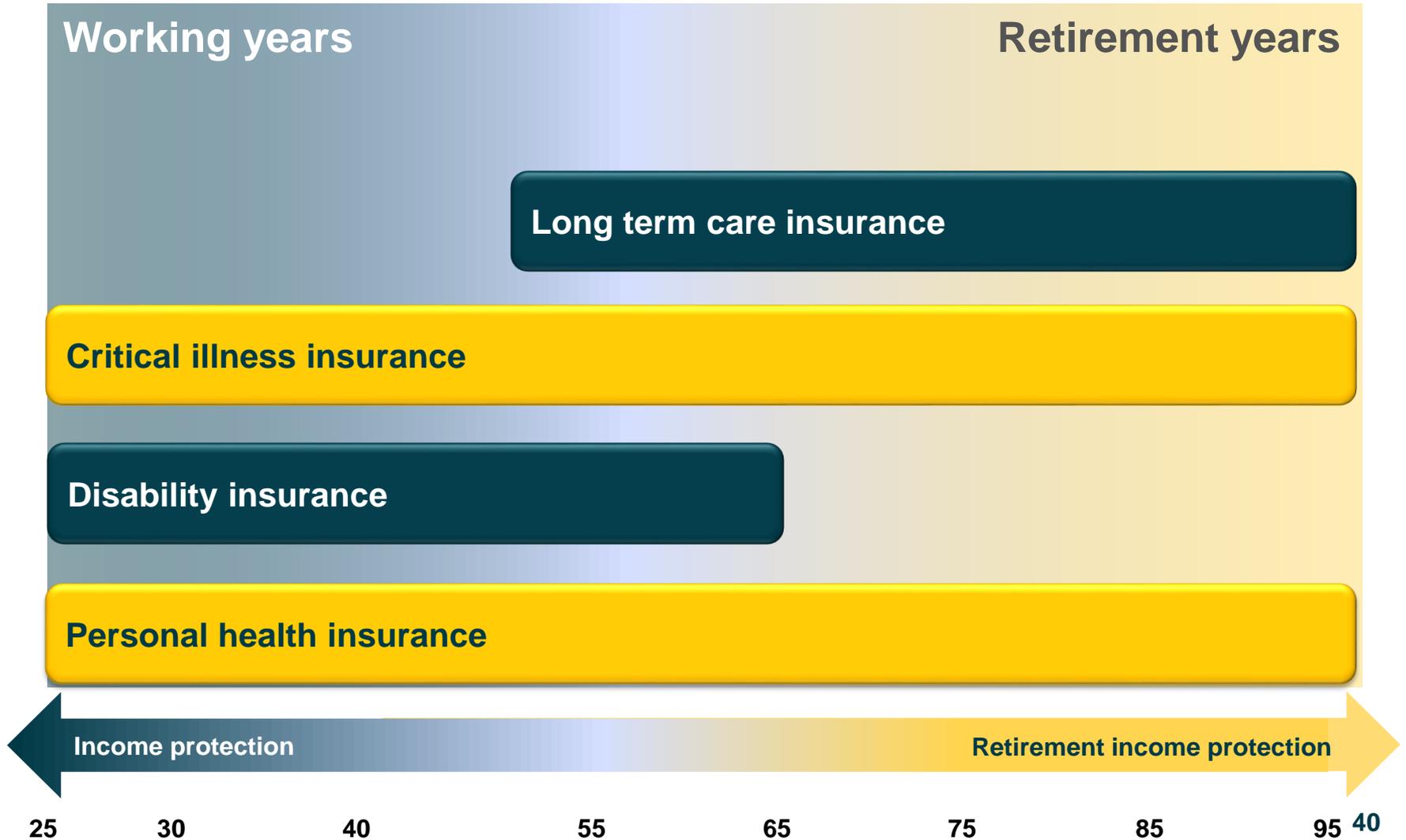
Market downturns

Money that is invested as retirement income is also subject to market ups and downs. Withdrawing too much too soon from shrinking investments means your money may not last as long as expected.

Unexpected events

Retirement planning is based on good health. So it's important to consider insurance in your retirement too, for long-term care, critical illnesses, or disability.

UNDERSTANDING YOUR INSURANCE NEEDS



DID YOU KNOW?



- You can convert your medical/dental benefits to Sun Life Financial within 60 days of leaving your plan
- What other options are there? Check with a Sun Life Retirement Consultant at **1-866-224-3906 (option 1)**



At a glance:

University of Saskatchewan Group Retirement Fund

- › Prescribed Retirement Income Fund – PRIF
- › Registered Retirement Income Fund – RRIF

The University of Saskatchewan Group Retirement Fund is a custom product available exclusively to members such as yourself, who participate in a University of Saskatchewan Pension Plan. This document highlights some of the key features that make this an attractive retirement income option for you.



ARE YOU RETIREMENT READY?

Your retirement-ready checklist

Your quality of life in retirement depends on the planning you do today. Saving money for your future should have a place on your financial priority list. This checklist can help you understand the steps you could take today to reach your retirement dreams tomorrow.

1. Define your retirement lifestyle.

There are some great articles about lifestyles in retirement on our website. Go to **LEARN & PLAN** > **HEALTH** > **RETIREMENT LIFESTYLE**.

2. Do a financial check-up to understand what your retirement might cost.

- Record your spending habits and consider how they will change in retirement.
 - The *Annual Expenses and Retirement Income Worksheet* in your brochure will help. Alternatively, complete the **Retirement savings calculator** online. Go to sunlife.ca and select **LEARN & PLAN** (located above the **CUSTOMER SIGN-IN** box). Then choose **Tools & Calculators**.
 - Begin to eliminate or reduce debt. See the sidebar for more information on this step.
- List your sources of retirement income and the amount of income from each.
 - The *Annual Expenses and Retirement Income Worksheet* will help. Remember to include all sources of income (government benefits, employer-sponsored plans, personal savings, etc.).
- Complete online or paper retirement planning tools, such as:
 - Sun Life Financial's **Retirement planner** at mysunlife.ca.
 - Employer-specific retirement planner, if one is available.

3. Consider working with a qualified advisor or financial planner to put a financial plan in place.

(See the **Resources** section of this checklist.)

MAKING DEBT DISAPPEAR

While you can't wave a magic wand to make debt disappear, it's uncanny how a focused effort to reduce debt works. And it pays to make it a priority, as the debt you currently carry as an income-earner may prove to be less affordable during retirement.

Tackle the debt with the highest interest rate first – for example, credit card balances. If you don't have the money to pay a lump sum, increasing your monthly payments can make a significant difference.

Whatever the cause of your debt, aim for as clean a slate as possible when you retire. Without that steady paycheck, you may need more of your savings for day-to-day living than you realize.





THANK YOU!



The information provided is of a general nature and should not be construed as personal financial or legal advice. Neither Sun Life Financial or its affiliates guarantees the accuracy or completeness of any such information. The information should not be acted on without obtaining counsel from your professional advisors applicable to your particular set of facts.

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