

ARE YOU RETIREMENT READY?

my money after work



Life's brighter under the sun

Sun 
Life Financial



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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.
 - 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.
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- 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.

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KEY TOPICS



- What retirement looks like today
- What does retirement mean to you?
- Next steps: how to prepare today for tomorrow



...WHAT RETIREMENT LOOKS LIKE TODAY

LIFE IN RETIREMENT

Generally speaking do you feel positive or negative about your life in retirement?

Nearly 9 in 10 retirees feel positive about their life in retirement.

Positive
88%

Negative
12%

Basic Retirees (n=2006)
Source: 2016 Sun Life Financial Retirement Now Report

LIFE IN RETIREMENT

TOP 10



pre-retirement tips

for working Canadians

Advice for a happy, successful retirement – from retirees who know the score, as surveyed in the 2016 Sun Life Retirement Now Report.



1 Take care of your health

2 Start saving and/or investing early

3 Live within your means

4 Write a will

5 Develop interests to occupy yourself in retirement

6 Have a financial plan

7 Don't leave money on the table

Understand and take full advantage of your workplace pension or retirement savings plan

8 Plan how you will spend your time

9 Become financially literate

10 Don't retire until your debts are paid

UNDERSTAND WHERE YOU ARE TODAY



- What retirement savings do you have?
- Do you contribute regularly?
- Do you leave money “on the table”?
- Are your investments well diversified?
- Are there other saving options you should consider?



...HOW DO I SEE MY RETIREMENT?





Q4

How much of your pre-retirement income do you think you'll need to enjoy your vision of retirement?

- A. 100%
- B. Between 60% and 70%
- C. Less than 50%
- D. No idea



WHAT DO CANADIAN RETIREES SAY?

On average, Canadian retirees are living on **62%** of the income they earned immediately before leaving the workforce.

However, Canadian retirees recommend today's workers should seek an average replacement rate of **71%**.

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

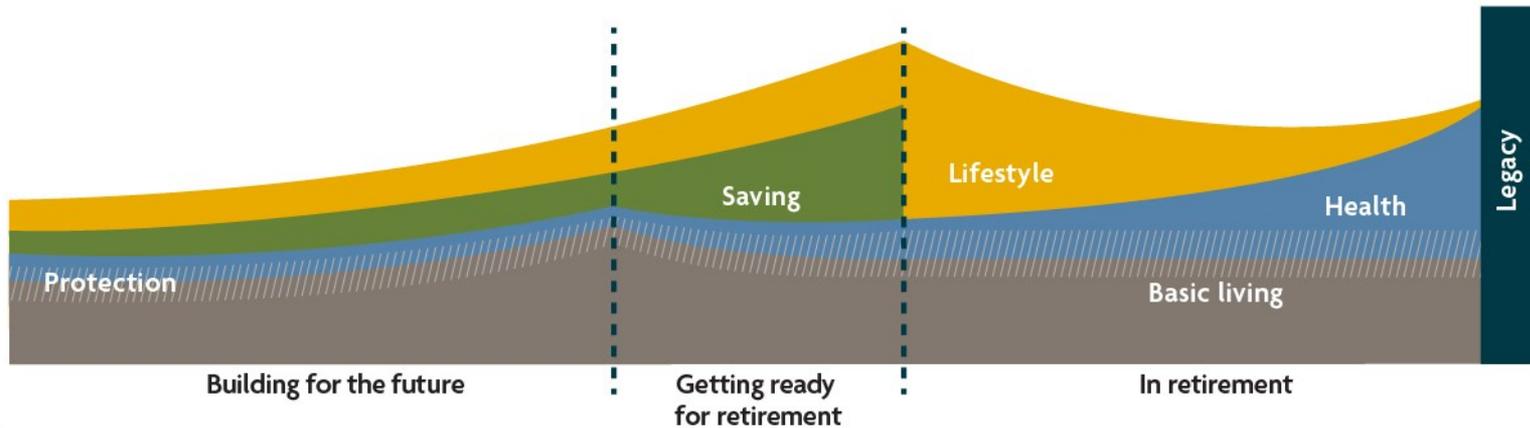


Money for Life – your changing needs

- **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	\$300 ⁺
 Cost of a car	\$6,715	\$20,355 [*]
 Cost of a house	\$110,292	\$508,567 ^{**}



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 (March 2016)

^{*} Canadian MSRP for a 2016 Honda Civic Sedan LX

^{**} Average price for a single family dwelling in Canada, as at March, 2016

CALCULATING YOUR SAVINGS AND EXPENSES



- Retirement savings calculator
 - Learn & Plan (online)
- Calculate your retirement expenses using the worksheet in your brochure
- Government booklets
 - available from Service Canada



Retirement savings calculator

Will you have enough money set aside at retirement to make ends meet?
Use our retirement savings calculator to see how much you will need to save for retirement based on your projected expenses.

	Please enter the expenses you expect to have in retirement thinking comparatively to what you spend today.	
Age:		
Current age:		
Planned retirement age:		
Estimated inflation rate:	%	
Basic expenses		
Accommodations	Current Monthly	Retirement Monthly
Mortgage / rent:	\$	\$
Utilities (heat, electricity):	\$	\$
Property taxes:	\$	\$
Phone / cable / internet:	\$	\$
Maintenance repairs:	\$	\$
Insurance (home):	\$	\$
Living expenses	Current Monthly	Retirement Monthly
Groceries:	\$	\$



MY RETIREMENT LIFESTYLE

What will it cost?



Q5

How many years do you think you need your money to last once you retire?

- A. Less than 10 years
- B. Between 10 and 20 years
- C. Longer than 20 years

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



[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](#)



Will I have enough to retire?

As of 04 May 2016

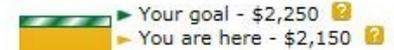
\$2,150

Estimated monthly income at retirement

57%

Estimate of current income replaced at retirement

Your income in retirement



Click to view [my retirement plan](#)

[Retirement Planner](#)

my money
WEBIN

REGISTE



TWENTY
XYZ COMPAN
Account #: 4

MONEY
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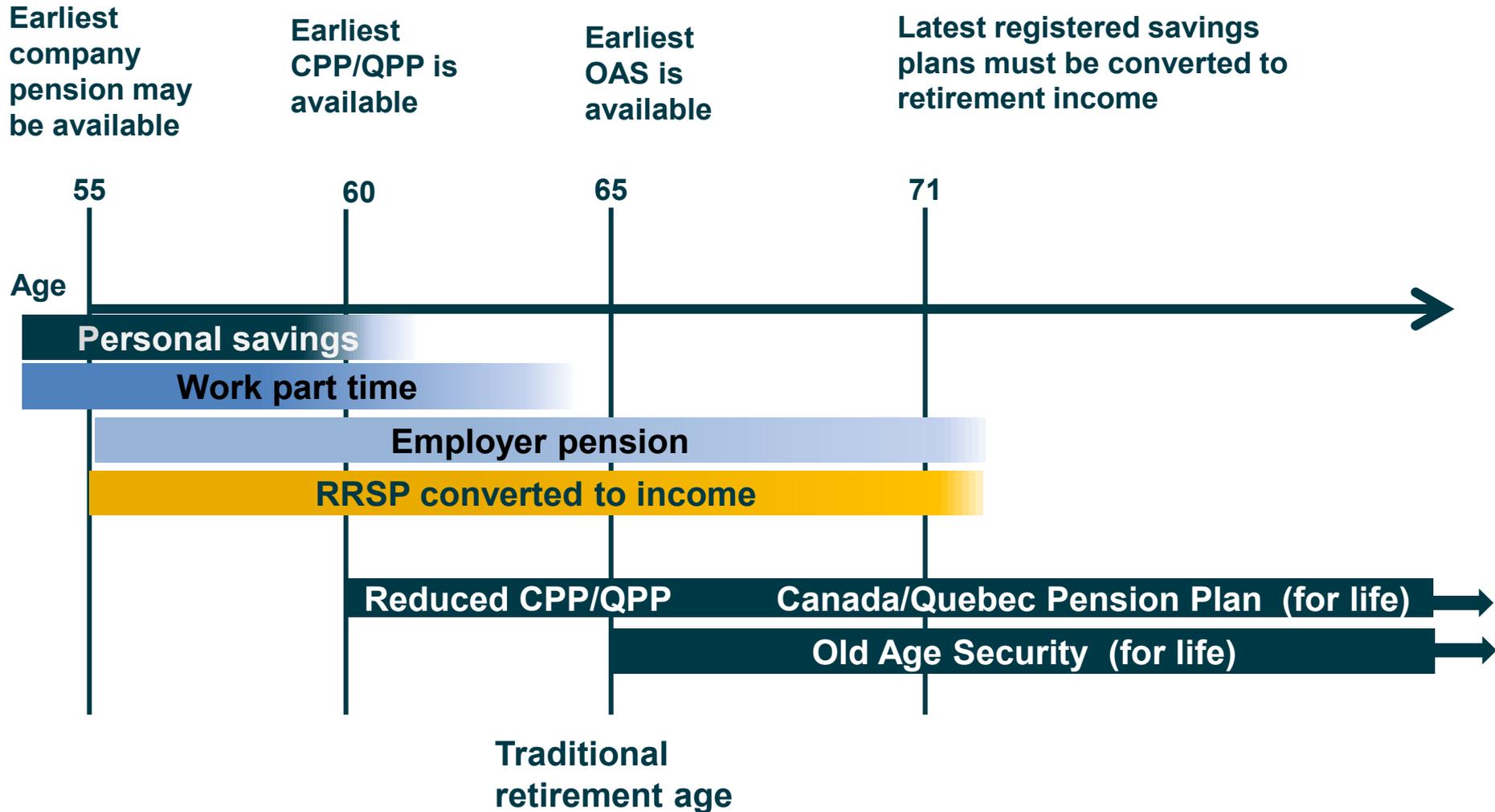
CONTINUE
PLAY



MY RETIREMENT LIFESTYLE

...prepare today for tomorrow

SOURCES OF RETIREMENT INCOME





Q6

What do you think your primary source of income will be in retirement?

- A. Personal savings
- B. Government benefits (CPP/OAS)
- C. Workplace retirement plans
- D. Inheritance

What percentage of your retirement income comes from each of the following sources?



GOVERNMENT PROGRAMS



	CPP/QPP	OAS	GIS
Eligibility	Age 60 or older Made a contribution	Age 65* 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

* OAS age of eligibility changing back to 65, as proposed in 2016 Federal Budget.

CPP/QPP



2016

**Canada Pension Plan (CPP)/
Quebec Pension Plan (QPP)**

Maximum

**\$1,092.50/month
\$13,110/year**

**Average
(Oct 2015)**

**\$629.33/month
\$7,552/year**

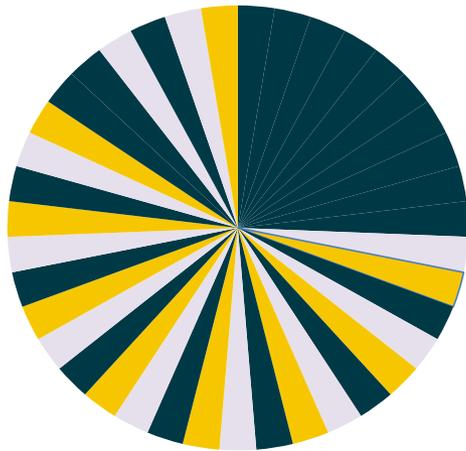
**Request your CPP contributions & benefit statement from: www.servicecanada.gc.ca
Request your QPP contributions & benefit statement from: rrq.gouv.gc.ca**

OLD AGE SECURITY



**2016
Maximum**

**\$570.52/month
\$6,846/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

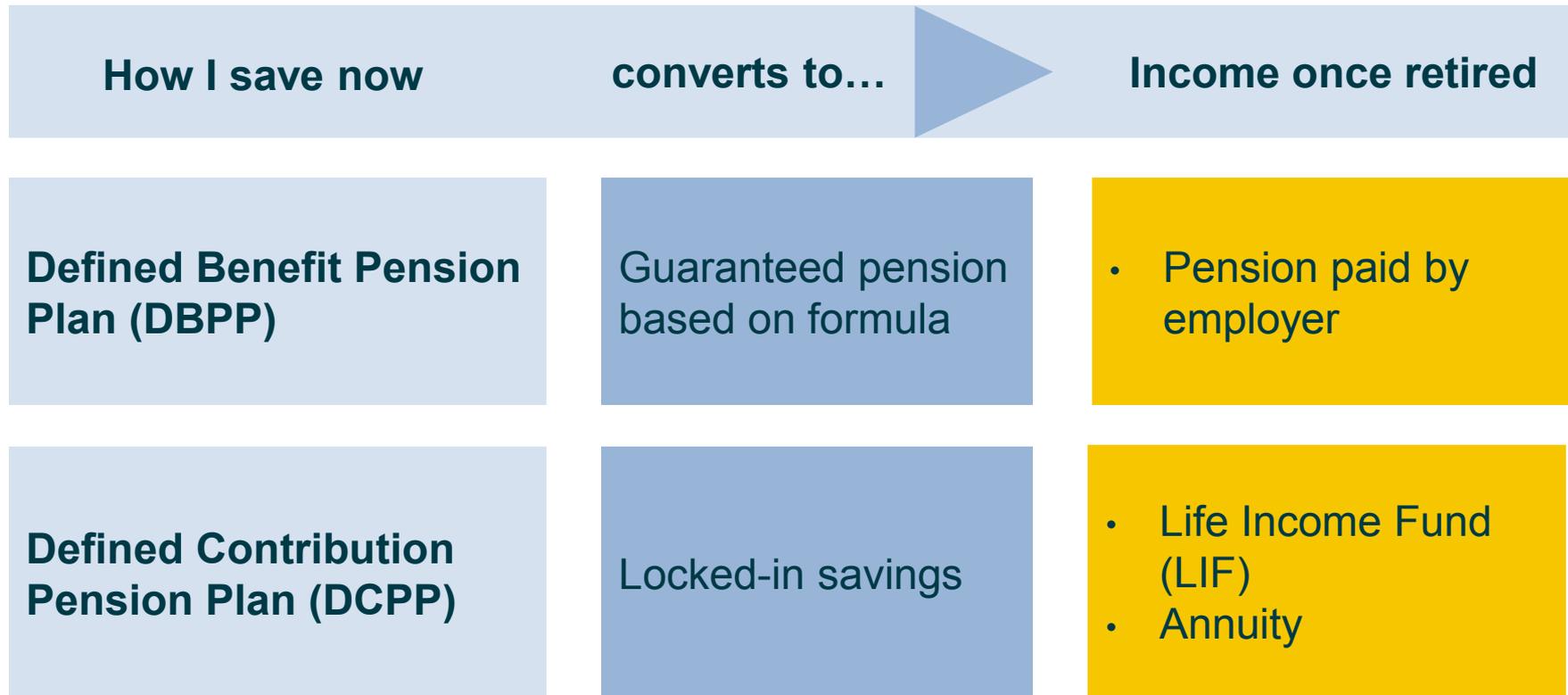
GUARANTEED INCOME SUPPLEMENT



Marital Status	Annual income thresholds (combined income if married)
Single	Less than \$17,304
Married/common law – spouse receiving OAS	Less than \$22,848
Married/common law – spouse not receiving OAS	Less than \$41,472
Married/common law – spouse receiving the Allowance	Less than \$32,016

Source: www.servicecanada.gc.ca (January-March 2016)

YOUR COMPANY SAVINGS PLAN MAY INCLUDE...



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How I save now	converts to...	Income once retired
Registered Retirement Savings Plan (RRSP) Deferred Profit Sharing Plan (DPSP)	Non-locked savings	<ul style="list-style-type: none">• Registered Retirement Income Fund (RRIF)• Annuity• Cash
Tax-free Savings Account (TFSA)	Non-taxable savings	<ul style="list-style-type: none">• Keep invested• Cash• Annuity
Non registered (NREG) or Employee Profit Sharing Plan (EPSP)	Non-registered savings	<ul style="list-style-type: none">• Keep invested• Cash• Annuity

RETIREMENT INCOME OPTIONS



ANNUITY

- A contract issued by a life insurance company.
- A fixed sum of money paid to someone each year, typically for the rest of their life.

LIF/RRIF

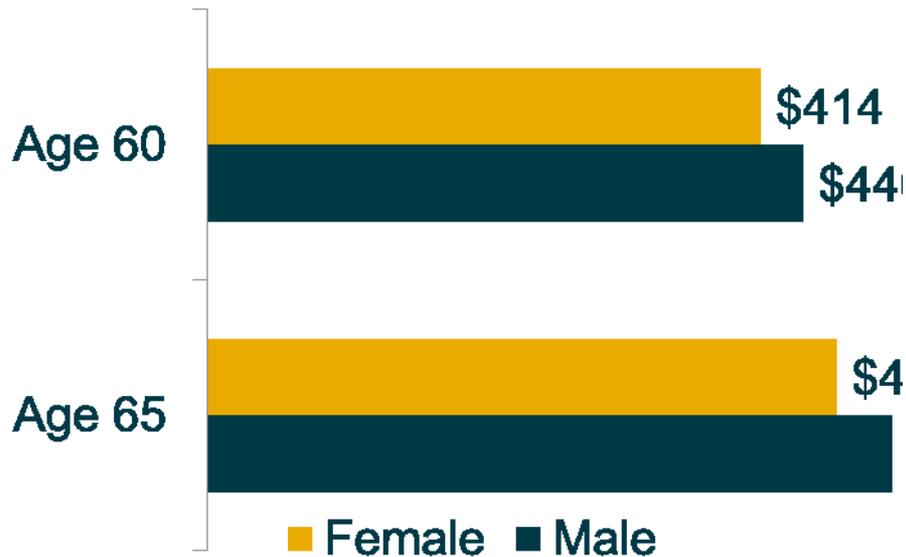
- Holds savings from a Registered Pension Plan (LIF) or an RRSP (RRIF).
- Minimum and maximum withdrawals apply but customizable.

YOU CAN USE A COMBINATION OF THESE OPTIONS

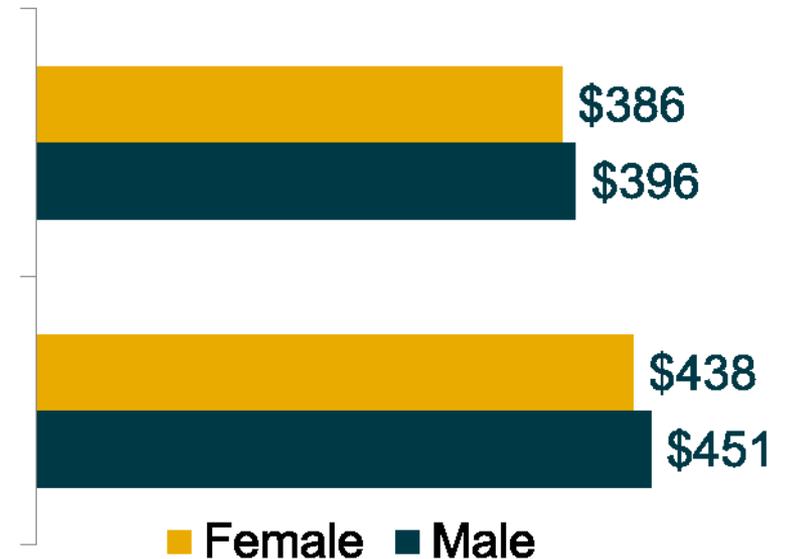
WHAT IS \$100,000 WORTH?



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

LIFE INCOME FUND / REGISTERED RETIREMENT INCOME FUND



Attained age	Minimum	LIF Maximum
Age 60	3.33%	Based on provincial/federal legislation
Age 65	4.00%	
Age 71	5.28%	
Age 75	5.82%	
Age 80	6.82%	

ANNUITY VERSUS LIF/RRIF



FEATURE / RISK LEVEL	ANNUITY	LIF/RRIF
GUARANTEED INCOME	Guaranteed for life	Not guaranteed for life
INVESTMENT CHOICE	None	Yes
MARKET RISK	None	Some
INFLATION RISK	Varies	Some
DEATH BENEFIT	Varies	Market Value

Guaranteed Minimum Withdrawal Benefit



NEXT STEPS

CONSIDERATIONS



- Years spent in retirement
- Working part time versus full retirement
- Impact of inflation
- Income tax
- Timing of returns on your investments
- Unexpected and increased costs
- Health, dental, critical illness and life insurance

PUT YOUR PLAN INTO ACTION



- Talk with your family
- Review the checklist & brochure
- Use the online tools available
- Set up a meeting to review your group savings plan

ADVICE AND ONGOING SUPPORT



By phone

Licensed
Retirement
Specialists

**1-866-224-3906, Monday-Friday
8 am to 6 pm ET**

Online

Retirement and
Financial
planning tools

mysunlife.ca



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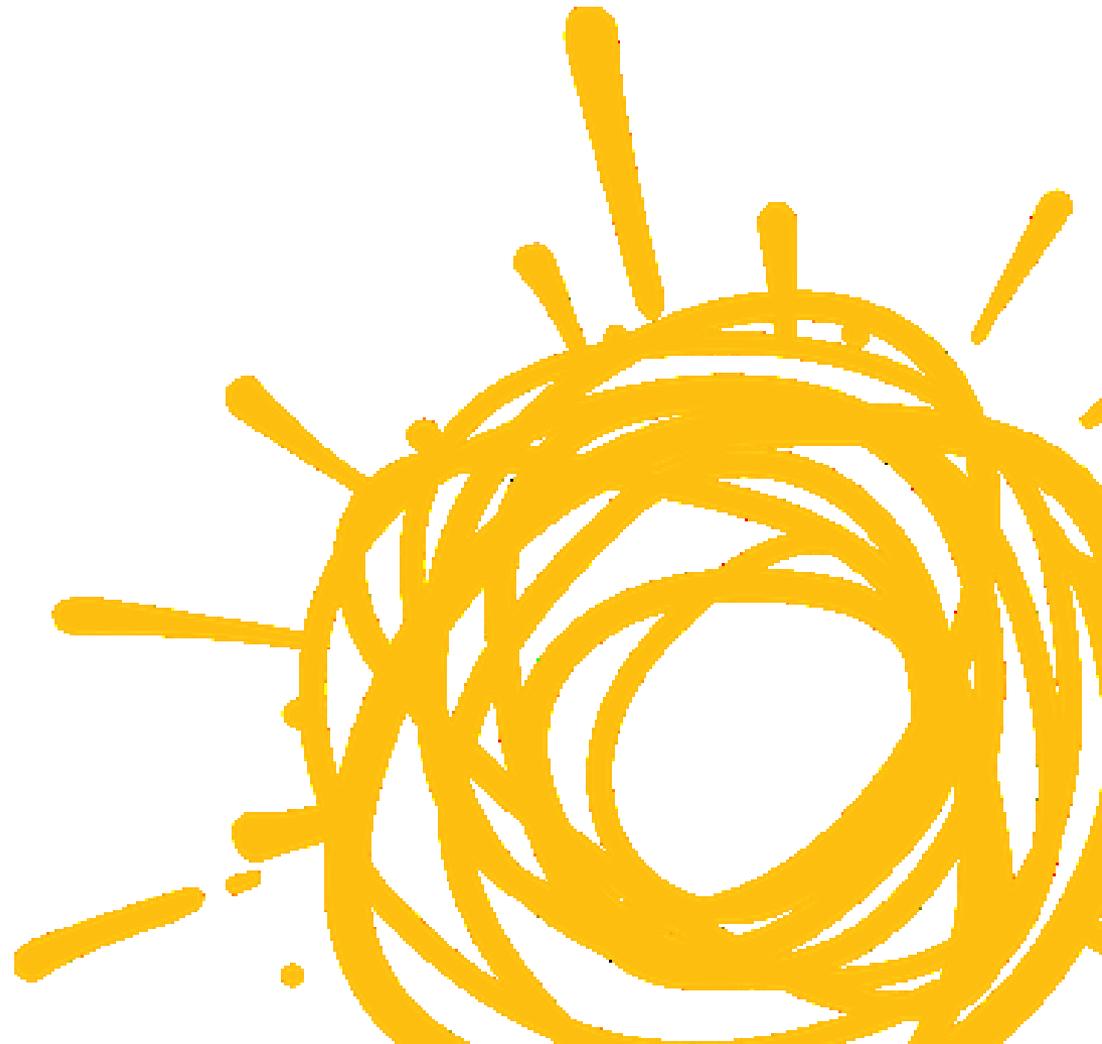
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THANK YOU!



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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