

GREAT-WEST LIFE REGISTERED RETIREMENTSAVINGS PLAN # 37957

WHAT DOES YOUR RETIREMENT LOOK LIKE?

Are you planning to travel the world? Or stay home to spend time with family and friends? Or will you continue to work part-time?

You may decide to focus on any one of a number of activities including hobbies, a second career, volunteer work, travel, education and time with your family.

Since not all activities are created equal from a financial standpoint, you need to consider what you want your retirement to be.

Envisioning your retirement lifestyle will make it easier to develop an income plan to ensure you can afford your dream. Once you have a picture of the retirement you want, you can begin to determine how much your desired lifestyle will cost. You're the expert in determining how much money you'll need to lead the lifestyle you want.



SOURCES OF INCOME AT RETIREMENT

Government Programs

- Canada Pension Plan
- Old Age Security

Member Retirement Plan

- Your group retirement plan
- Plans with previous employers

Personal Savings

- GICs
- RPP/RRSP
- Bank Accounts
- Property Equity
- Canada Savings Bonds
- Tax Free Savings Account



GOVERNMENT RETIREMENT BENEFITS

Almost all of today's seniors receive income from Canada's public pensions: the Canada Pension Plan (CPP) and the Old Age Security (OAS) program. Together, the CPP and OAS provide a modest base upon which Canadians can build their retirement income.

	Maximum ¹	Average
Old Age Security ³ (per month)	\$ 573.37	\$ 538.90
Canada Pension Plan (per month)	\$ 1,092.50	\$ 557.58 ²
Total (OAS and CPP) Monthly Benefit	\$ 1,665.87	\$ 1,096.48
Total (OAS and CPP) Annual Benefit	\$ 19,990.44	\$ 13,157.76

¹ The maximum amount includes the top-ups for the GIS and allowances

² Average benefit as of March 2016 (indexed quarterly)

³ The OAS pension repayment range in 2016 is from = \$73,756 to \$119,512

Source: www.servicecanada.gc.ca (1-800-277-9914)

TARGET DATE FUNDS

Ever wish your investments did the work for you?

Your investment lineup features Great-West Life Cadence Target Date Funds for plan members who want a hands-off, pre-built approach to investing.

Simple investing... by choosing a target date fund, the active decision-making is taken care of for you because you simply choose the fund that is closest to the target date when you need your money, for example your retirement date. That's it.

How does a target date fund work?

One decision, one time and that's it. Each Great-West Life Cadence Fund has an asset mix that changes throughout the life of the fund and adjusts automatically as the fund approaches its targeted date. As the fund date draws closer, your exposure to higher risk investments in the fund automatically decreases as the asset mix is adjusted, and the proportion of lower risk investments increases – **all you need to do is choose the fund with the date closest to when you need your money!**

One decision, one fund and less confusion

It's time to get back to the basics. You can learn more about this new fund option and the other investment options offered under your plan – at www.grsaccess.com.

CONVERTING YOUR RETIREMENT SAVINGS INTO RETIREMENT INCOME

There are different types of retirement income products to consider when it comes time to convert your retirement savings into a retirement income plan. The product you choose will depend on the source of your retirement savings (i.e. retirement savings plan or pension plan).

Registered Retirement Income Fund (RRIF)

A registered retirement income fund (RRIF) is like a registered retirement savings plan (RRSP) in reverse. Contributions made to your RRSP throughout your working years grow on a tax-deferred basis.

When you need to begin receiving income you must convert your RRSP to a RRIF (by the end of the year you turn 71). A RRIF is designed to provide you with income while keeping the assets retained in your RRIF tax-deferred.

You can transfer your RRSP into a RRIF and enjoy the same flexibility and investment choice you had in your RRSP, with the added benefit of being able to withdraw a retirement income that's tailored to meet your needs.

Life Income Fund (LIF)

If you had a pension plan, you usually have a choice between leaving the pension money in the pension plan or transferring it to a locked-in retirement account (LIRA) or locked-in RRSP. Typically, the money is locked-in and cannot be withdrawn until you start retirement.

The LIF pays you an income. There's a maximum you can withdraw each year, which is intended to ensure that your money will last long enough to help support you in your retirement.

- You can hold many types of investments in LIFs, such as GICs, mutual funds, or segregated funds. **You decide where to invest** and can perform transactions within the plan.
- You have some control over how much tax is withheld from the payments.
- **You can name a beneficiary** to receive your money after you die.
- There's a **minimum income you're required to take** out of the plan every year and a **maximum you're allowed to take** from your plan. The maximums for LIFs are a bit different than for LRIFs.
- **You can use money remaining in a LIF to purchase a secure guaranteed income in a life annuity.**

Today is a good day to think about your financial tomorrow



Annuity

An annuity lets you convert your savings or pension into a guaranteed monthly income. No matter what the markets do, your income will never change. *You can choose from different types of annuities:*

1. **Single Life Annuity** - provides the same monthly payment for as long as you live. Any money left over when you die will not go to your estate.
2. **Joint Life Annuity** - Guaranteed income for the lives of two people (usually a married couple) regardless of market conditions or interest rate fluctuations. When the first person passes away, payments continue for the life of the surviving person.
3. **Term Certain Annuity** - Guaranteed income for a set period of time, or until you reach a certain age. This can be purchased with your savings, but not your pension.

If you're....	Consider a....	The benefit...
Worried that the market may leave you with less to live on.	Single Life Annuity	A guaranteed amount of income for life, regardless of market changes or interest rates.
Concerned about passing away after receiving only a few payments.	Single Life Annuity with a Minimum Payment Guarantee Period	Your beneficiaries will receive the balance of your payments through the guarantee period.
Planning to retire early and need income until a pension starts.	Term Certain Annuity	You're guaranteed to have income until your other benefits start.
Thinking you'll outlive your income.	Single Life Annuity	You're guaranteed to receive payments for the rest of your life.
Wondering how to provide for yourself and your spouse.	Joint Life Annuity	You and your spouse are guaranteed to receive income for life.

CONTACT THE GREAT-WEST LIFE CLIENT SERVICE CENTRE

- Make transactions
- Update information
- Print statements / tax receipts
- Use online retirement planning tools
- Talk to investment and retirement specialists

Logon to your personal retirement account at www.grsaccess.com and create your own retirement plan.

