

Is Your Beneficiary Current?

As a member of a retirement plan it is your responsibility to make sure that your beneficiary designation is up to date. Any changes to your marital or family status are reminders to review your beneficiaries under your group retirement plan and other financial vehicles. If you wish to update your beneficiary designation, please complete the Member Change Form (CL-004) available under Documents on your CUMIS Member Website Account and send the original to CUMIS.

Listed below are some important points when choosing beneficiaries:

- If you are a member of a retirement plan, other than a pension, the value of your account can be paid to your named beneficiary
- If you belong to a pension plan, legislation may require that your assets are paid to your spouse, regardless of who you have listed
- If you do not list a beneficiary, the value of your account will form part of your estate. Your death benefit could then be decided by the courts and be subject to probate fees
- A 'Qualified RRSP Beneficiary' means taxes can be deferred by naming your spouse or your financially dependent children or grandchildren as beneficiaries
- In the event an adult child, other relative or friend being named as a beneficiary, no tax-deferred options are available in these cases. Proceeds will be subject to taxes and the tax liability will go to the estate

Note

Note on Ontario Pension Legislation:

Ontario Court of Appeal recently ruled that any pension plan member governed by Ontario pension legislation who is separated, but not divorced, and living with their common-law spouse must designate their common-law spouse as their beneficiary if they wish that person to receive any pre-retirement death benefit. Failing to make a formal change, naming the new common-law spouse as beneficiary, could result in the former spouse being the recipient of your retirement plan assets.

RRSP Contribution Deadline

RRSP contributions for the 2013 tax year must be received by Monday March 3, 2014. This is an opportunity to top up your RRSP contributions and potentially reduce your 2013 income tax.

You may make a lump sum deposit into your employer-sponsored RRSP plan at any time by simply completing and sending a Lump Sum Deposit form (available under Education Centre (Forms) on your CUMIS Member Website Account) along with a personal cheque to CUMIS Life.

If you would like to confirm your available contribution room:

- check your last Notice of Assessment
- call the Tax Information Phone Service (TIPS) Automated Tax Information line at 1.800.267.6999
- register for "My Account" at Canada Revenue Agency's website: www.cra-arc.gc.ca/esrvc-srvce/tx/ndvdl/myccnt/menu-eng.html

Voluntary deferral of the Old Age Security Pension

From July 1, 2013, Old Age Pension eligible recipients can choose to delay receiving their benefits for up to 5 years (65 to 70). The voluntary deferral does not apply to Guaranteed Income Supplement, Allowance and the Allowance for the Survivor. Please note that if you delay your OAS pension, you will NOT be eligible to receive the Guaranteed Income Supplement (GIS) and your spouse or common-law partner will not be eligible to receive the Allowance until your OAS pension begins. You should consider applying for your OAS pension about 3 to 6 months before your 65th birthday or no earlier than 11 months before the date you wish your pension to start.

For every month you delay receipt of your OAS pension, you will receive an increased monthly pension of 0.6% per month or 7.2% per year up to a maximum of 36% at age 70.

Example

Meryl turns 65 in March 2014. If she decides to delay receiving her OAS pension for one year, her monthly amount starting April 2015 would increase by 7.2% (0.6% x 12 months).

John turns 65 in December 2014. If he decides to delay receiving his OAS pension for the maximum deferral period of five years, his monthly amount would increase to 36% at age 70 (0.6% x 60 months). He would receive his first adjusted OAS pension payment starting in January 2020.

You should consider your personal, health, retirement and financial situation when deciding when to start receiving your OAS pension. We recommend you speak with a trusted financial planner before applying for your OAS pension and consider using the Canadian Retirement Income Calculator found under servicecanada.gc.ca website to estimate what delaying your OAS pension will do for you.

Your 2014 Maximum Limits

Maximum limits for:

Defined Contribution Pension Plan, Defined Benefit Plan, RRSP, Deferred Profit Sharing Plan, Tax-Free Savings Account, Year's Maximum Pensionable Earnings (YMPE) and Canada Pension Plan.

DC Plan	\$24,930*
DB Plan	\$2,770
RRSP	\$24,270*
DPSP	\$12,465*
TFSA	\$5,500
YMPE	\$52,500
CPP Rate (for the employee and employer)	4.95%
CPP (employee/employer maximum)	\$2,425.50 each

* DC, RRSP and DPSP limits are lesser of 18% of earnings or the dollar maximum.

RRSP Tax Receipts

Tax receipts for Group Retirement Savings Plan (RRSP) will be mailed:

- **THE WEEK OF JANUARY 20, 2014**
(for contributions received March 1 – December 31, 2013)
- **THE WEEK OF MARCH 17, 2014**
(for contributions received the first 60 days of 2014)

Group Registered Pension Plan contribution information required to complete your Personal Tax Return can be found on the T4 Supplemental Slip issued by your Employer.

At CUMIS Retirement Services, we welcome your feedback and are happy to answer any questions you may have.

Please call, email or write us at:

Tel: **905.632.1221** Toll-free: **1.800.263.9120** Fax: **905.631.4887**

Email: rps@cumis.com

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