

## When your retirement dream becomes reality... ...what will you do with your retirement savings?



Saving for retirement is a long road, filled with tough financial choices. The reward? Being financially prepared when the big day comes.

To access your savings, convert your plan to one of several retirement income options. The option you choose will depend on your lifestyle, other investments, and whether your savings plan is a *Registered Pension Plan (RPP)*, *Registered Retirement Savings Plan (RRSP)* or *Deferred Profit Sharing Plan (DPSP)*.

### **Have a RRSP or DPSP? Consider a Registered Retirement Income Fund (RRIF)**

RRIFs offer flexible payments or “income” taken from a RRSP or another *non-locked-in* plan, but **do not guarantee income for life**. While the government sets an annual minimum withdrawal percentage for RRIFs, the funds remain tax-sheltered while in the plan, and you can choose how your funds are invested.

You may also be eligible to withdraw non-locked-in RRSP or DPSP funds through a lump-sum cash payment, subject to significant tax.

### **Have a RPP? Consider a Life Income Fund (LIF)\***

LIFs are designed to provide a **lifetime income**, with funds taken from a RPP or another *locked-in* plan. LIFs have a required minimum and maximum annual withdrawal percentage, which is provincially regulated.

### **Other income funds for locked-in savings include:**

- A Restricted Life Income Fund (RLIF) – the federal version of a LIF; but, with an “unlocking” option.
- A *Locked-in Retirement Income Fund (LRIF)* – available only in Newfoundland, this fund is like a LIF; however, the maximum annual payment is based on investment earnings from the previous year.
- A *Prescribed Registered Retirement Income Fund (PRRIF)* – offered by Saskatchewan and Manitoba, it’s similar to a RRIF, but is only for locked-in funds and has no maximum withdrawal. In Manitoba, you can only transfer 50% of the balance from your LIF to your PRRIF.

### **Have a RPP, RRSP or a DPSP? Consider an annuity**

It’s simple: By converting your savings plan to an annuity, you get fixed income at regular periods (usually monthly), **guaranteed for the rest of your life**. The amount you get at each interval may depend on several factors, including how much you’ve saved, current interest rates, the type of annuity, your age, life expectancy and more.

Regardless of which type of retirement income option you choose, keep in mind that withdrawals are always taxable. Fortunately, after age 65, income from RRIFs and LIFs can be split with a spouse, potentially reducing your taxes. Above all, think long-term and spend carefully to ensure you don’t outlive your savings.

\*Not available in all provinces.

# 6 things you can do with your group retirement savings plan

Becoming a member of your employer's group retirement or savings plan provides the best foundation to ensure your future financial security. Your employer places high value on your quality of life, but it's important that you also play an active role to maximize your investments by making informed decisions to achieve financial freedom.

Here are six tips to consider when reviewing your plan:

## **Make voluntary or additional contributions to your group plan**

If allowed by your employer, voluntary contributions are a smart way to supersize your savings. Think of it as paying yourself first via payroll deduction. If you can voluntarily increase your contributions each year to reflect the cost of inflation or a salary increase, you'll save more now to enjoy later.

## **Receive immediate tax relief**

If you're contributing to your plan via payroll deductions, you can arrange with your employer to have the contributions invested on a before-tax basis. The contribution amount will be deducted from your gross pay before tax is calculated, allowing you to receive immediate tax relief.

## **Access your plan at any time**

You have 24-hour access to your group plan account through our secure web services. To access our web services, sign in to your personal member online access at [www.cumis.com](http://www.cumis.com) and navigate to the online services – Retirement Plan Member Login page. Don't forget, you also have live support through our Client Service Centre (between 8 a.m. to 8 p.m. EST) if you'd prefer to speak with one of our Service Representatives, or email [rps@cumis.com](mailto:rps@cumis.com).

## **Enrich Your Knowledge**

Use our online Life Events Planner. It contains more information than just retirement planning. It contains a number of interactive calculators to help you with your overall financial plan. Check out our Education page once you sign in to your Member Account for more information.

## **Consolidate your investments**

You can transfer funds from any registered plan to your CUMIS group plan at any time. Please use a form called Transfer Authorization for Registered Investments, found under the Documents section of your online Member Account. Use this to indicate where your registered assets are coming from, and simply send the completed and signed form to the financial institution holding your assets so that they can transfer your money directly to your CUMIS account.

## **Take control**

It's important to regularly review and understand your plan and investments. Have you selected investments for all contributions allowed by your employer? Have you assigned your beneficiary? All information should be completed as accurately as possible and personal information updated to reflect any changes.

Enrolling in your group retirement savings plan is the first step to achieving your financial goals. In addition to the tips above, the most important thing you can do to make sure you're getting the most out of your plan is ask questions. We're here to help. For more information contact our Client Service Centre at 1-800-263-9120 (Retirement Services) between 8 a.m. to 8 p.m. EST, or email [rps@cumis.com](mailto:rps@cumis.com).

## **RRSP contribution deadline**

RRSP contributions for the 2015 tax year must be received by Mon., Feb. 29, 2016. This is an opportunity to top up your RRSP contributions and potentially reduce your 2015 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 along with a personal cheque to CUMIS Life.

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/esrvce-srvce/tx/ndvdl/mcycnt/menu-eng.html](http://www.cra-arc.gc.ca/esrvce-srvce/tx/ndvdl/mcycnt/menu-eng.html)

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** (8 a.m. to 8 p.m. EST)

Fax: **905.631.4887** Email: **[rps@cumis.com](mailto:rps@cumis.com)**

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