



# Retirement planning guide

A guided path to help you  
on your retirement journey



Life's brighter under the sun





## Do you know how much money you need to retire?

We understand that planning for retirement can be a challenge. With support from licensed retirement consultants,<sup>1</sup> you'll always have a way forward. We'll show you how to start the journey in three easy steps and answer some common questions along the way.



Set your personal retirement income goal with a retirement consultant, or on your own using our online tools.

Get ongoing support to assess if you're on track to reach your goal, monitor your progress along the way and make recommendations to help you stay on track.

Work with a retirement consultant<sup>1</sup> to design your personal Retirement Income Roadmap, which provides an overview of how your income will work for you in retirement.



**We're here to help on each step of your retirement journey.**  
**Call 1-866-224-3906, Option 1** Monday to Friday, 8 a.m. to 8 p.m. ET

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<sup>1</sup> Registered as financial security advisors in the province of Quebec (this applies to all uses of the term retirement consultant in this brochure).

**Group Retirement Services are provided by Sun Life Assurance Company of Canada, a member of the Sun Life group of companies.**

## Step 1: Defining your retirement income goal

Let's start by figuring out how much income you'll need for your retirement. This is important because you need to plan for the lifestyle you want to live during retirement.

### How much do you need?

When you are further from retirement, using 50% to 70% of your pre-retirement income as a guide might be helpful. However, as you get closer to retirement, it is important that your goal be customized to your lifestyle and needs.




Find out if you have enough money today and for the retirement you want, using the Budget calculator on [mysunlife.ca/western](https://mysunlife.ca/western). Find the tool by signing in to your account and selecting **my financial centre** > **my money tools** > **Tools** > **Budget calculator**.

### What retirement lifestyle do you want to live?

Before determining your income goal, think about what you want to do in retirement.

- **What's important to you?** Think about your needs, wants and dreams to help you define what retirement means to you.
- **What will you do in retirement?** Retirement often means spending more time doing the things you already enjoy: Travel, sports, gardening, volunteering, hobbies, family time. You might also decide to continue working part time, doing something you love. Think about the financial costs that go along with how you plan to spend your time.
- **How will your financial priorities change throughout retirement?** Some costs will stay the same in retirement, while others will increase or decrease. Think about the categories in the table below and how they'll change based on your retirement lifestyle.

### How expenses may change as you approach/transition into retirement

Stay the same 	Decrease 	Increase 
<p><b>Basic living:</b> Food, clothing, shelter and anything that's non-negotiable for you.</p> <p><b>Protection:</b> Insurance solutions to protect your income, health and family.</p>	<p><b>Saving for retirement:</b> You're turning savings into retirement income.</p> <p><b>Taxes:</b> You're generally paying less tax because your income is lower.</p> <p><b>Work-related costs:</b> You'll no longer be commuting, buying lunch or "work" clothes, or paying for dry cleaning.</p>	<p><b>Lifestyle:</b> Things you want to do that aren't basic living expenses, such as travel, donations, winter home.</p> <p><b>Health:</b> Health expenses that could emerge as you age.</p>

## How do you set your goal?

Once you've thought about the retirement lifestyle you want to live, you have options on how to set your retirement income goal:

### Create a goal on your own:

If you prefer to complete this step yourself, you can use the **Retirement planner** on [mysunlife.ca/western](https://mysunlife.ca/western). Find the tool by signing in to your account and selecting **my financial centre > Resource centre > my money tools > Retirement planner**.

### Work with a retirement consultant:

If you are within 5 years of retirement, you have the support of a Sun Life retirement consultant, who can help you create your goal. A licensed retirement consultant can guide you through the goal-setting process and make sure you're creating a realistic goal based on your plans for retirement. Retirement consultants are also specialists on the Sun Life Retirement & Savings Plan for Western Retirees (the Sun Life Plan) and can help you explore this option. Work with a consultant today by calling **1-866-224-3906**, select Option 1, 8 a.m. to 8 p.m. ET, Monday to Friday.

## How do you track your progress?

Whether you work with a retirement consultant, or on your own, the Retirement planner on [mysunlife.ca/western](https://mysunlife.ca/western) helps you track your progress towards your goal.

The screenshot shows the 'Retirement planner' interface. At the top, there's a yellow header with the title 'Retirement planner' and a 'Chat Live Now' button. Below the header, it identifies the user as 'DAVID' and shows account details: 'Sun Life Retirement & Savings Plan for Western Retirees' and 'Account #: 00000000000000 As of: 04 May 2021'. The main content area is split into two columns. The left column, titled 'DAVID, here's where you are with your current retirement savings:', lists two bullet points: 'Your goal is to retire at 65.' and 'Your projected income will likely be \$5,100 per month.' Below this, it says 'Complete all the information below to get a better estimate of your retirement age.' and 'Congratulations, you're currently on track to reach your goal.' The right column, titled 'You'll likely work until:', features a large green box with the number '65' and the text 'if your retirement goal is \$5,100 per month.' Below the main content, there's a section titled 'Here's how we calculate your goal' with the subtext 'We use the following information to calculate your retirement goal.' and 'Please review these sections so we can give you a better look into your retirement.' This section contains four cards: 'ABOUT ME (Age, residence)', 'CURRENT INCOME (Workplace & other sources)', 'CURRENT SAVINGS (Sun Life & other places)', and 'OTHER RETIREMENT INCOME (Pension Income, CPP/QPP, OAS)'. Each card has an 'Edit' button.

### A word about debt:

Retiring with debt may have a big impact on your income needs. While you should aim to pay off your debts before retirement, you will need to factor debt repayments into your retirement income goal if you cannot.

## Step 2: Assessing your retirement readiness

The next step is assessing how ready you are for retirement. This involves more than just making sure you have enough money. It's also about learning and making decisions during your working years to help you prepare for retirement.

### Where will your retirement income come from?

**In Canada, you typically have three sources of retirement income.**

**Workplace savings plans** - money you and your employer have contributed to a workplace-sponsored plan. You may also have past employer plans to consider.

**Personal savings** - money you have in personal accounts outside of Sun Life. This might include bank accounts, RRSPs and TFSAs, or income from part-time work.

**Government programs** - money from government-sponsored programs that provide a basic level of retirement income.

### What government programs are available?

There are three government programs available to Canadians:

Canada Pension Plan (CPP) Quebec Pension Plan (QPP)	Old Age Security (OAS)	Guaranteed Income Supplement (GIS)
<p><b>What is it?</b> A pension paid for life to anyone who made at least one valid contribution during their working years.</p>	<p><b>What is it?</b> A benefit paid for life to anyone age 65 or older who has lived in Canada for at least 10 years from when they were 18 years old.</p>	<p><b>What is it?</b> A supplemental benefit for lower-income seniors, age 65 or older.</p>
<p><b>How do payments work?</b> You receive a monthly pension payment based on how much you contributed during your working years. You qualify for your full pension at age 65. You can take a reduced pension as early as age 60 or delay payments as late as age 70 to receive a higher monthly amount. Payments are taxable.</p>	<p><b>How do payments work?</b> Your monthly benefit amount depends on how long you've lived in Canada. Some or all of your monthly payment may be subject to a 'clawback', if your annual taxable income is above a specified threshold. You can delay payments as late as age 70 to receive a higher monthly amount. Payments are taxable.</p>	<p><b>How do payments work?</b> Your monthly benefit amount varies based on your income. You must be receiving OAS payments and your total annual income must be below a certain threshold to qualify. Payments are not taxable.</p>
<p><b>When should you apply?</b> Apply at least six months before you want to start receiving payments.</p>		
<p><b>Where can you learn more?</b> CPP &amp; OAS: <a href="http://www.canada.ca/en/services/benefits/publicpensions.html">www.canada.ca/en/services/benefits/publicpensions.html</a></p>		<p><b>Where can you learn more?</b> QPP: <a href="http://www.rrq.gouv.qc.ca">www.rrq.gouv.qc.ca</a></p>

## What risks do you need to consider?

There are four major risks to address, both during your saving years and during retirement. A qualified professional, like a Sun Life retirement consultant, can help ensure you're taking the right steps to deal with each one.

### Inflation risk



**What is it?** The impact of cost increases on what your savings can buy you in the future.

**How to manage it?** Choose a mix of investments you expect to provide a long-term rate of return higher than the expected rate of inflation.

### Market risk



**What is it?** The impact of investment market movements on the value of your retirement savings.

**How to manage it?** Adjust your investment mix based on how close you are to needing your money. Consider guaranteed income solutions during retirement.

### Health risk



**What is it?** The impact of unexpected health events on your income and savings.

**How to manage it?** Put the right protection solutions in place, including health & dental, critical illness, and long-term care insurance.

### Longevity risk



**What is it?** The danger of running out of money because of how long you live.

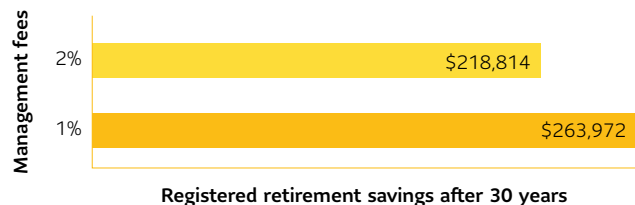
**How to manage it?** Consider guaranteed income solutions, like annuities. These provide a fixed amount of income for as long as you live.

## What about investment management fees?

All professionally managed investment funds have fees. It's important to know what fees you're paying and save on fees if you can. Paying lower fees means keeping more of your money invested in your account. This can have a significant impact on how much you'll have for retirement.

**Saving 1% a year in fees over 30 years could mean over \$45,000 more for retirement!**

*Assumptions: You save \$4,000 on January 1 each year, for 30 years, earn a 5.75% gross rate of return and pay your fees at year-end.*



## Fee guarantee exclusive to the Sun Life Retirement & Savings Plan for Western Retirees

Fund management fees include the operating expenses for both the segregated fund and the underlying fund. They also include the fees for the professional investment managers of the underlying funds. If you join this plan by May 1, 2025, the service fees and fund management fees you pay, excluding the impact of any taxes and fund operating expenses for funds in which Sun Life invests, will not increase while you or your surviving spouse remain in the Sun Life Plan. Fees will be taken out of investment returns prior to your account being updated to the latest market value. This fee guarantee applies notwithstanding the terms of section 10 of the Declaration of Trust for each account.

## Your investment options

Sun Life has worked closely with Western to choose a lineup of high-quality funds for the Sun Life Plan. You'll find many similar funds to what's in the Western Pension Plans, along with new ones chosen specifically for a retiree's needs.

Listed below are all the funds in the Sun Life Plan, as at **December 31, 2021**. Some of these funds are not available to non-residents. Please speak with a retirement consultant for more information.

Fund Type	Sun Life Plan fund name	Similar fund in the Western Pension Plans
<b>Cash and Guaranteed</b>	1, 2, 3, 4, 5-year GIAs <sup>1</sup>	Guaranteed Daily Interest Account (GDIA)
	1, 2, 3, 4, 5-year GICs <sup>2</sup>	Guaranteed Daily Interest Account (GDIA)
	Money Market Segregated Fund	Money Market Fund
<b>Fixed income</b>	Short Term Bond Segregated Fund	No similar fund
	Diversified Bond Segregated Fund	Diversified Bond Fund
	Canadian Bond Segregated Fund	Canadian Bond Fund
	Long Term Bond Segregated Fund	Long Term Bond Fund
<b>Balanced</b>	Sun Life Managed Income Segregated Fund	No similar fund
<b>Equity</b>	Diversified Equity <sup>3</sup>	Diversified Equity Fund
	Canadian Equity	Canadian Equity Fund
	U.S. Equity Hedged Segregated Fund	U.S. Equity Hedged Fund
	U.S. Equity Unhedged Segregated Fund <sup>3</sup>	U.S. Equity Unhedged Fund
	U.S. Equity NR Segregated Fund <sup>4</sup>	Not applicable
	Non-North American Equity	Non-North American Equity Fund
	SRI Global Equity Segregated Fund	Socially Responsible Global Equity Fund
	Global Equity NR Segregated Fund <sup>4</sup>	Not applicable

1 Issued by Sun Life Assurance Company of Canada

2 Issued by Sun Life Financial Trust Inc.

3 This fund is for RRSP, LIF, LIRA and RRIF money only.

4 This fund is for TFSA and NREG money only.

## Step 3: Designing your Retirement Income Roadmap

The final step of your retirement journey involves putting your plan into action. A licensed Sun Life retirement consultant can guide you using a personalized Retirement Income Roadmap. This includes income and investment recommendations.

### When do you plan to retire?

Your planned retirement age determines your retirement income options. In general, the later you plan to retire, the more options you'll have available for retirement income.

#### Retirement income options increase with age

	Before 55	55-59	60-70	65 or later
			Canada Pension Plan / Quebec Pension Plan	Old Age Security
		Retirement savings converted to income		
		Annuities		
		Workplace pensions		
Before 55	Personal savings			
	Part-time employment income			

### The relevance of turning 71 and your retirement saving

Federal income tax rules say that you have to move your savings out of registered savings plans, including pension plans, RRSPs and LIRAs, into a retirement income product by the end of the calendar year in which you turn 71. You can delay your first income payment until the end of the following year.

You can consider waiting to convert your RRSPs until age 71. You'll give yourself retirement income flexibility and tax-deferred savings growth, since you can make withdrawals from non-locked-in RRSPs any time, without any minimum or maximum restrictions.





# How do you turn your retirement savings into income?

Savings plan	Retirement income option
	<p><b>Registered Retirement Income Fund (RRIF)</b></p> <p>A RRIF is like a continuation of your RRSP, but instead of contributing to your savings you withdraw money as retirement income.</p>
RRSP	
DCPP – Voluntary	<ul style="list-style-type: none"> <li>Your savings are tax-deferred until withdrawn.</li> <li>You make all investment decisions.</li> <li>There is a minimum amount you must withdraw each year, based on your age. There is no withdrawal maximum. Unscheduled lump-sum withdrawals from the Sun Life Plan can be made outside of your traditional payment schedule.</li> </ul>
	<p><b>Life Income Fund (LIF)<sup>2</sup></b></p> <p>A LIF is an account much like a RRIF, but for locked-in savings.</p>
DCPP	<ul style="list-style-type: none"> <li>Your savings are tax-deferred until withdrawn.</li> <li>You make all investment decisions.</li> </ul>
LIRA	<ul style="list-style-type: none"> <li>You must withdraw a certain amount each year, based on your age, but you can choose how much, between the minimum and maximum. Unscheduled lump-sum withdrawals from the Sun Life Plan can be made up to the maximum (where applicable in a LIF), outside of your traditional payment schedule.</li> </ul>
	<p><b>Annuity</b></p> <p>An Annuity is a contract from a life insurance company, where you make a lump-sum payment up front and receive a fixed payment for the rest of your life.</p>
RRSP	
DCPP	
TFSA	<ul style="list-style-type: none"> <li>For a cost, you can add enhancements like inflation protection, a guaranteed payment period, and survivor benefits.</li> </ul>
NREG	<ul style="list-style-type: none"> <li>The life insurance company makes all investment decisions.</li> <li>Annuities bought with locked-in savings must follow the pension laws in your province or territory.</li> </ul>
	<p><b>Monthly pension payment</b></p>
DBPP	<p>A Defined Benefit Pension Plan (DBPP) provides a fixed monthly payment from your previous employer(s) based on a pre-determined formula defined by the plan. You may have the option of taking a one-time taxable cash payout instead of receiving monthly payments.</p>
	<p><b>Cash</b></p> <p>Many savings products allow cash withdrawals without converting your savings into income. In some cases, there are tax implications when making a cash withdrawal.</p>
RRSP	
TFSA	
NREG	

Legend	
DBPP	Defined Benefit Pension Plan
DCPP	Defined Contribution Pension Plan
NREG	Non-Registered Savings Plan
TFSA	Tax-Free Savings Account
RRSP	Registered Retirement Savings Plan
LIRA	Locked-in Retirement Account

**A note about taxes:**

Most retirement income sources are taxable. If you draw too much income, it may affect your Old Age Security payments. Talk to a retirement consultant about income splitting with a spouse, and about tax-efficient, non-registered income sources.

<sup>2</sup> Depending on the pension legislation governing your locked-in savings, you may have to use one of the following products instead of a LIF: Locked-In Retirement Income Fund (LRIF), Prescribed Retirement Income Fund (PRIF), or Restricted Life Income Fund (RLIF). Speak with a retirement consultant or financial professional for more information.

## What to consider when choosing among income options

For registered savings, like DCPPs and RRSPs, your retirement income decision generally comes down to a choice between a registered income solution, like a RRIF or LIF, an annuity, or a combination of both. The product or combination is an important decision.

Consideration	RRIF/LIF	Annuity
<b>Income options</b>	Flexible. You can take income as needed (subject to annual minimums/maximums).	Payments are a set amount each month or year. The purchase of an annuity is irreversible.
<b>Longevity risk</b>	You could outlive your money.	Your payments are guaranteed for life, which means you'll never outlive your money.
<b>Market risk</b>	Since you make all investment decisions, you benefit from gains and assume the risk of potential losses.	The life insurance company makes all investment decisions and assumes all the risk.
<b>Inflation risk</b>	You assume the risk of ensuring you earn at least as much as inflation each year.	You can choose to have your payments indexed to inflation.
<b>Death benefit</b>	Payments can continue to your spouse in the event of your death. You may be able to leave your remaining savings to your estate or beneficiary.	Joint annuities allow you to guarantee financial security and lifetime income to a spouse. You may also choose a guaranteed payment period. Otherwise, you leave nothing for your estate.

## How do you bring it all together?

The best way to decide on the right income solutions for you is to work with a qualified professional, like a Sun Life retirement consultant. Your dedicated consultant looks at your entire financial picture when creating your **Retirement Income Roadmap**, so you have a detailed plan in place. You'll also get a copy of the document, which lets you review the recommendations and income projections as you get later in retirement.

### Include your spouse to see the full picture

Your retirement consultant can create a joint Retirement Income Roadmap that includes both you and your spouse's information.



## Taking action for your future

We've covered a lot of information. It's best to take it one step at a time and know that you're not alone in your retirement journey. Support is always available to help guide you through the process.

## Contact a retirement consultant

As a licensed specialist (salary-based with a performance bonus) on retirement and the Sun Life Plan, your dedicated retirement consultant<sup>1</sup> can:

- Answer any questions you have about retirement.
- Work with you to create a personalized Retirement Income Roadmap.
- Explain retirement income and insurance solutions, and help you complete any forms.
- Consolidate your savings to help simplify your retirement income streams.
- Put you in touch with a Sun Life advisor in your area for more in-depth needs, like estate and tax planning.



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**Call 1-866-224-3906, Option 1** Monday to Friday, 8 a.m. to 8 p.m. ET

## Online tools to help you plan

If you prefer taking a self-serve approach, you can access online planning tools through [mysunlife.ca/western](https://mysunlife.ca/western):

- The **Retirement planner** shows you how much monthly retirement income you're on track to have.
- The **Asset allocation tool** helps you choose the right investment mix based on your financial goals and risk tolerance.
- The **Registered Retirement Income Fund (RRIF) calculator** shows you how much income you can expect from your RRIF.

To find these tools, sign in to [mysunlife.ca/western](https://mysunlife.ca/western) using your sign-in/access ID and password and select **my financial centre** from the right side of the **Home** page, then select **Resource centre > my money tools**.

<sup>1</sup> Registered as financial security advisors in the province of Quebec (this applies to all uses of the term retirement consultant in this brochure).

## Sun Life Retirement & Savings Plan for Western Retirees

Western University has chosen Sun Life to provide Western retirees with a retirement income program, the Sun Life Retirement & Savings Plan for Western Retirees (the Sun Life Plan).

Since the Sun Life Plan is exclusive to Western retirees, you won't find many of its benefits elsewhere. It's a smart choice for the money you've worked hard to save.

- **Ongoing guidance and support**

With a dedicated retirement consultant, you'll have access to help and advice throughout retirement, over the phone or in person in London.

- **One spot for all your savings and income plans – for you and your spouse**

Combine the savings you have elsewhere in the Sun Life Plan to see your whole retirement income picture in one spot. You may also save on investment fees! The Sun Life Plan is available for both you and your spouse.

- **Convenient ways to look after your account**

Continue accessing your account through [mysunlife.ca](https://mysunlife.ca) and the **my Sun Life mobile app**. You can even continue using the same sign-in ID and password from your Western Pension Plan.

- **Similar investment funds to what you have today**

Choose from high-quality funds similar to what's in the Western Pension Plans, and new funds too. You'll have the flexibility to invest in a way that works for you.

- **Competitive investment fees**

Keep more of your savings invested and growing, with competitive investment fees similar to what you have enjoyed in your Western Pension Plan.









## Disclaimer

We present this material as a general guideline for retirement income planning purposes. It is current as of publication date February 2022. Market conditions and other factors change over time. This will affect either positively or negatively one or more asset classes. The investment assumptions we've used are based upon historical investment returns. Past returns may not reflect future investment performance.

In order to identify an asset allocation model that's appropriate for your individual circumstances, consider contacting a retirement consultant or a qualified professional who is familiar with your personal financial circumstances and understands your tolerance for risk.

We've made every effort to ensure the accuracy of the information provided in this package. However, in the event of a conflict, the provisions of the official plan document and the official Group Annuity Policy will apply.

### Respecting your privacy

Respecting your privacy is a priority for the Sun Life group of companies. We keep in confidence personal information about you and the products and services you have with us to provide you with investment, retirement and insurance products and services to help you meet your lifetime financial objectives. To meet these objectives, we collect, use and disclose your personal information for purposes that include: underwriting; administration; claims adjudication; protecting against fraud, errors or misrepresentations; meeting legal, regulatory or contractual requirements; and we may tell you about other related products and services that we believe meet your changing needs. The only people who have access to your personal information are our employees, distribution partners such as advisors, and third-party service providers, along with our reinsurers. We will also provide access to anyone else you authorize. Sometimes, unless we are otherwise prohibited, these people may be in countries outside Canada, so your personal information may be subject to the laws of those countries. You can ask for the information in our files about you and, if necessary, ask us in writing to correct it. To find out more about our privacy practices, visit [www.sunlife.ca/privacy](http://www.sunlife.ca/privacy).

Western and Sun Life have an agreement that all member data will reside in Canada.



Life's brighter under the sun

