



Group Choices Retirement Income Plan

Retirement Planning Guide

There's a lot to consider when you're planning to retire. Whether you're a few years away from retirement or it's just around the corner, this guide can help you understand the steps you can take to make the transition, as well as how Sun Life Financial can help along the way.

This guide is designed to help you:

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As you read through this guide, make sure to write down any questions you have in the Notes section at the back. When you're finished reading don't hesitate to connect with one of our licensed Retirement Consultants¹; they can provide guidance on your retirement income options and investments that may be suitable for you.

Your options include converting your savings to a retirement income product, and one way to do so is by transferring them to the Group Choices Retirement Income Plan. You can enroll over the phone, and you keep your existing **mysunlife.ca** access. The Plan offers ongoing support from Retirement Consultants and competitive management fees. (For information about the benefits of the Plan, turn to page 16.)

Our Retirement Consultants are available any business day from 8 a.m. to 6 p.m. ET. **Call 1-866-224-3906** (select option 1).



Let's get started – it's time to define your retirement lifestyle.

¹Registered as Financial Security Advisors in the province of Quebec (this applies to all uses of the term Retirement Consultant in this brochure).

Defining your retirement lifestyle

Have you thought about what your retirement might look like? It's important to define your expectations clearly, since knowing what is important to you will help you create a plan that meets your needs.

Consider these questions:

- › What's important to you?
- › What will you do in retirement?
- › How will your income needs change throughout retirement?

If you have a spouse or partner, it's a good idea to sit down together as you think about your options.

What's important to you?

Retirement means different things to different people. It could mean more leisure time, more time with friends and family, or the chance to start something new.

Dividing your needs, wants and dreams into categories will help you define what retirement means to you and allow you to more effectively plan for it.



What will you do in retirement?

Making the most of retirement is about more than having enough money. Rather than focusing on retiring *from* something, consider what you'll retire *to*. For example, will you retire to a new career? Or a new hobby? What will make you happy? Without a full-time job to go to, you'll have a lot of time to do other things. Some people say they will golf or travel – these activities may take a couple of days a week, or a month out of a year. Consider:

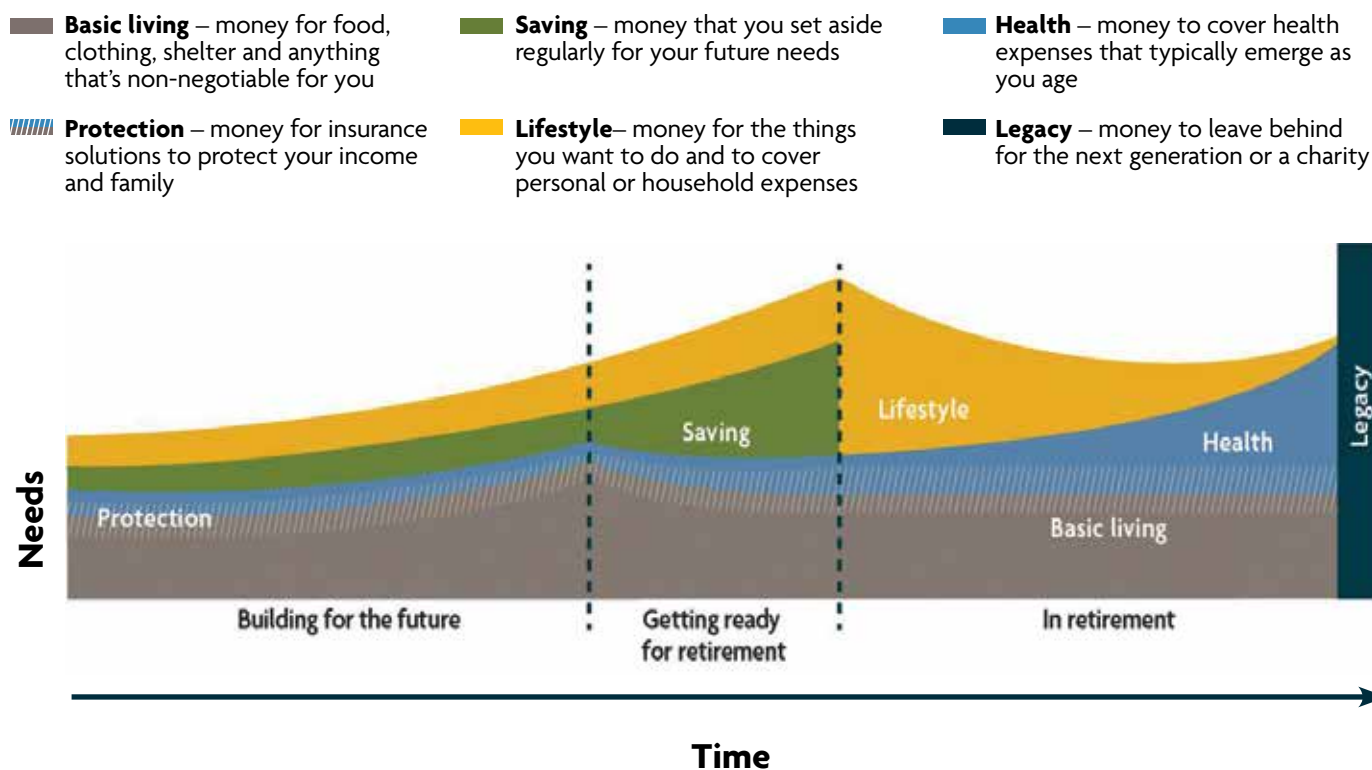
- What will you do the rest of the time?
- Will your ideas or priorities change over the years?
- If you have a spouse, does he or she have the same ideas and priorities?

Retirement can span many years – 25, 30 or more. You've already started thinking about your needs, wants and dreams. Remember to take into account how your needs will change along with your age, health, family, the cost of living and market fluctuations.

How will your income needs change throughout retirement?

As the chart below shows, while some costs tend to diminish in later years, such as spending on clothing and transportation, other costs increase, such as spending on health care. Budgeting for health care should be a key part of your financial plan, taking into account needs in retirement that are not covered by government and employer-paid plans.

Your changing needs



Assessing your retirement income needs

What will your needs, wants and dreams cost?

Now that you have thought about what your ideal retirement might look like, it's also important to understand what this could cost.

While most retirees only need 50-70% of their pre-retirement income to live comfortably, if you plan to have an active retirement, you may need as much as 100% of your pre-retirement income.

How to make your money last longer?

By transferring in savings you have with other financial institutions, you can take full advantage of your Retirement Income Plan, including access to Retirement Consultants, the ability to manage your investments online and a variety of investment options.

Additionally, as a Choices member, you benefit from management fees that are in many cases lower than fees on similar funds with the top six Canadian banks².

What can you do today?

1. Complete the *Annual Expenses and Retirement Income Sources Worksheet* on page 20 of this brochure to help you look at your expenses today and how you think they'll change in retirement.
2. You can then work through the *Retirement Planner* tool, which will enable you to set a retirement income goal and learn of ways to achieve that goal. Access the tool by signing into mysunlife.ca and going to *my financial centre* > *my money tools*.

Lower management fees means more of your money stays invested.

This can mean higher retirement income or your money lasting longer.

While your rates of return fluctuate beyond your control, you can counter that impact by investing in funds with lower management fees.

Look at how much money a 0.50% reduction in fees (ignoring any withdrawals) can save you over the long term!

Years invested	Single lump-sum amount	Balance in your account ³		Additional growth in savings 0.50% reduction in management fees
		1.50% fee	2.00% fee	
10	\$50,000	\$70,021	\$66,546	\$3,475
20	\$50,000	\$98,057	\$88,568	\$9,489
30	\$50,000	\$137,321	\$117,878	\$19,443

²Based on market research conducted by Sun Life Financial on publicly listed management fees for funds offered by the top six Canadian banks through financial advisors or their branch network, as of January 2016. The savings amount represents average management fees compared across similar asset categories (excluding Money Market and Bond asset categories). Fund management fees are subject to change. The fees vary based on factors including each person's individual portfolio mix and the funds selected. Please speak to a Retirement Consultant for details.

³Assumes a 5% investment growth rate and an annual contribution made at the beginning of each year over a defined term. This chart is for illustrative purposes only. It is not intended to predict or project investment results. Contributions are subject to personal contribution limits.

Where will your retirement income come from?

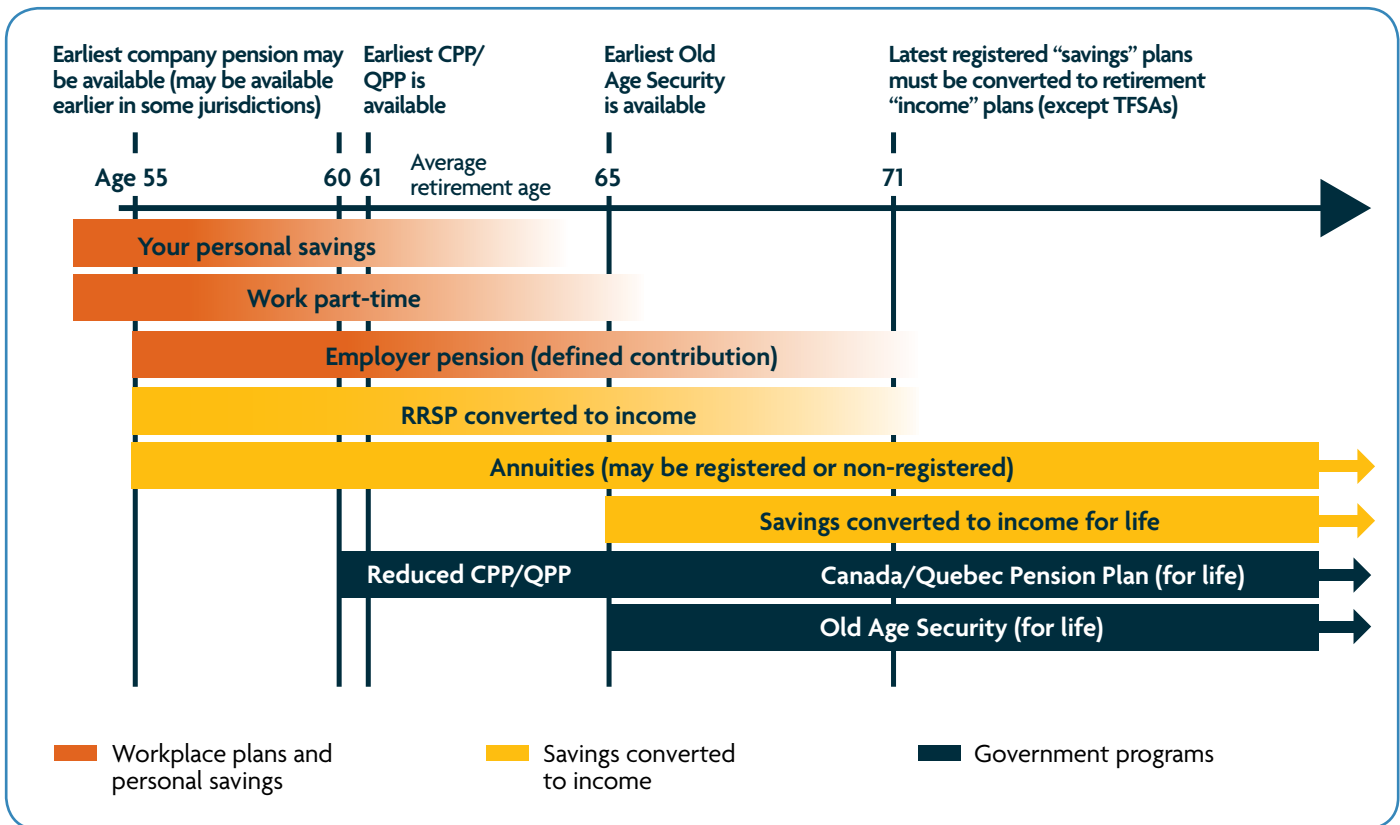
The chart below shows the different sources of retirement income and when they typically become available.

Your retirement income may come from various sources:

- Workplace plans and personal savings
- Defined Benefit or Defined Contribution Pension Plans
- Government retirement income programs such as Canada Pension Plan (CPP), Quebec Pension Plan (QPP), Old Age Security, and Guaranteed Income Supplement (if applicable)
- Annuities you have purchased

Take note

Most retirement income sources are taxable. If you draw too much income, it may affect your Old Age Security payments. Talk to our Retirement Consultants about income splitting with a spouse, and about supplementing your lifestyle with tax efficient non-registered income sources, such as life annuities. See the following page for a summary of income options.



Consider today's life expectancy

The average life expectancies of Canadians at age 65 in 2011 were 83 years for men and 86 years for women. In comparison, the corresponding figures in 1961 were 79 years and 81 years, respectively.

Source: Stats Canada, The Daily, Sept. 25, 2013

You may be surprised to know

Government programs are only designed to replace a portion of your income during your retirement years. For example, CPP is designed to replace about 25% of your average pre-retirement employment earnings up to a maximum amount.⁴

⁴Changes to the Canada Pension Plan, <http://www.servicecanada.gc.ca/eng/services/pensions/cpp/publications/changes.shtml>

Identifying your **sources of income**

How do personal savings convert to income at retirement?

When you want to begin spending the money you've saved, you typically have to "convert" that money into an income account or stream of some kind. In fact, you must convert your registered savings plans by December 31st of the year you turn 71, although you don't need to start drawing an income until the following year. Non-Registered Savings Plans, Employee Profit Sharing Plans and Tax-Free Savings Accounts are not subject to any age or withdrawal limits, and may be kept invested and/or converted to cash and/or annuities.

If you're a member of an employer-sponsored Defined Benefit Pension Plan (DBPP)⁵, you'll need to make a request to start receiving your pension. Your HR department will be able to tell you when you are eligible to make the request, your timing options for retirement, and your DBPP payment options.

Each type of savings plan gives you different options for how you can turn it into income. We've listed the different savings plans, and their corresponding income options on the following page.



⁵A DBPP pays a set pension based on a formula that generally considers age and length of service.

What are the different retirement income options available to you?

The “Money in” boxes on the left of the following table represent your retirement savings. Each type of savings plan has a corresponding retirement income product (the middle boxes). Your savings are transferred into these products at retirement⁶. On the right, the “Money out” boxes explain how you are able to receive income from these products throughout your retirement.

Retirement income options

<p>Money in</p> <ul style="list-style-type: none"> › From an RRSP › From a Deferred Profit Sharing Plan (DPSP) 	<p>Registered Retirement Income Fund (RRIF)</p> <ul style="list-style-type: none"> › Assets held in an account much like an RRSP › Tax deferred › You make all investment decisions 	<p>Money out</p> <ul style="list-style-type: none"> › Must withdraw a minimum % amount annually based on your age or your spouse’s age › No maximum withdrawal limit › Withdrawals are taxable as income
<p>Money in</p> <ul style="list-style-type: none"> › From a Locked-In RRSP › From a Locked-In Retirement Account (LIRA) › From a Registered Pension Plan (RPP) 	<p>Life Income Fund (LIF)⁶</p> <ul style="list-style-type: none"> › Assets held in an account much like an RRSP › Tax deferred › You make all investment decisions › Not available in all jurisdictions, in some cases other income options may be available (see page 17). In most pension jurisdictions, a LIF may be held for life; in Newfoundland, it must be converted to an annuity at age 80 	<p>Money out</p> <ul style="list-style-type: none"> › Like a RRIF, must withdraw a minimum % amount annually based on your age and, in most cases, your spouse’s age › There is a maximum withdrawal limit, which changes each year based on your age and a formula prescribed by the applicable pension legislation › Withdrawals are taxable as income
<p>Money in</p> <ul style="list-style-type: none"> › From any source, both registered (for example: Registered Pension Plan, Tax Free Savings Account – TFSA, RRSP, DPSP) and non-registered (for example: Employee Profit Sharing Plan – EPSP, Non-registered Savings Plan – NREG/ personal savings) 	<p>Annuities</p> <ul style="list-style-type: none"> › Purchased from a life insurance company for a lump-sum amount › Provides guaranteed payments for life, or for a defined period, depending on the source of the funds used to purchase the annuity and the type of annuity purchased › For a cost, can add enhancements such as inflation protection, guaranteed number of years of payment, payments to a spouse after your death › Investment decisions are made by the life insurance company 	<p>Money out</p> <ul style="list-style-type: none"> › Payments typically paid monthly and are generally guaranteed for life › If annuity purchased with registered savings (except TFSA), then payments are fully taxable as income › If annuity purchased with non-registered or TFSA savings, then only a portion of annuity payments are taxable
<p>Money in</p> <ul style="list-style-type: none"> › From regular contributions made by your employer and/or yourself 	<p>Defined Benefit Pension Plan (DBPP)</p> <ul style="list-style-type: none"> › Provides payments for life, based on a pre-determined formula that may take into account your age, salary and/or years of service › Tax deferred › Investment decisions are made by the plan sponsor 	<p>Money out</p> <ul style="list-style-type: none"> › Regular pension payments from the plan, generally guaranteed for life, taxable as income › Commuted value⁷ as cash (less any applicable income taxes): if you leave your employer before age 55, if the amount in the plan is not significant, or if certain other conditions for unlocking are met › Commuted value⁷ as a transfer to another registered plan

⁶There are unlocking provisions in certain pension jurisdictions, so you may have different income options in certain situations. For details, contact a Retirement Consultant.

⁷The commuted value is the lump-sum payout of the existing value of your DBPP and is based on several factors (including long-term interest rates and mortality rates). If you have contributed to your DBPP for a short period of time, or if the amount that’s been put in your plan is not significant, you may want to consider transferring the commuted value. If you would like to consider this option, a Retirement Consultant can explain what’s involved and answer your questions about transferring DBPP assets.

Advantages and disadvantages of registered income solutions and annuities

For registered savings, your retirement income decision generally comes down to a choice between a registered income solution⁸, an annuity, or some combination of these two options. The appropriate combination for you will be based on the proportion of variable versus guaranteed income you wish to have.

To help you make your decision, here's a snapshot of the advantages and disadvantages of the two main retirement income options (please also see the Glossary on page 17). It is your responsibility to take advantage of the information and tools made available to you to help you make your investment or income decisions.

	Registered income solutions	Annuities
Advantages	<ul style="list-style-type: none"> ▶ Extremely flexible – can take income as needed (subject to minimum withdrawal requirements, and maximum withdrawal limits for LIFs, LRIFs and RLIFs) ▶ Potential for investment growth through a diversified investment strategy ▶ Payments can continue to your spouse in the event of your death ▶ Can convert to an annuity at any time if greater security is desired later in life ▶ Savings and investment income remain tax deferred until withdrawn ▶ Potential for capital to be left to the estate or beneficiary to leave a legacy 	<ul style="list-style-type: none"> ▶ Consistent, stable income for life guaranteed by insurer (you assume no market risk) ▶ Joint annuity is a convenient way to guarantee financial security and lifetime income of spouse ▶ No investment management decisions ▶ Savings are not taxed at time of annuity purchase but annuity payments from registered assets are taxed as you receive them ▶ Payments can be indexed for inflation (if you select this option)
Disadvantages	<ul style="list-style-type: none"> ▶ Need time and knowledge or help to manage your investments ▶ You assume all market risk; poor returns could mean less retirement income ▶ Cannot guarantee income for life, cannot mitigate inflation risk; you assume longevity, market, and inflation risk 	<ul style="list-style-type: none"> ▶ May leave nothing for your estate, as most annuity payments end upon death with no residual value (unless you die during the guarantee period, if applicable) ▶ No flexibility in varying income from year to year ▶ The purchase of an annuity is irreversible

⁸ See Glossary on page 17

RRIF = Registered Retirement Income Fund

LIF = Life Income Fund

LRIF = Locked-in Retirement Income Fund

PRIF = Prescribed Retirement Income Fund

RLIF = Restricted Life Income Fund

Consider delaying conversion of registered savings until age 71

Just because you're retiring, that doesn't mean you have to convert your registered savings into retirement income right away. You have until the end of the year in which you reach age 71 to convert your registered savings into a registered income solution, purchase an annuity, or make a cash withdrawal⁹.

Because you can make withdrawals⁹ from RRSPs at any time – without any minimum or maximum restrictions – maintaining your savings in an RRSP until age 71 can provide you with optimum retirement income flexibility while continuing to maintain the benefits of tax-sheltered savings.

⁹ Cash withdrawals from a locked-in RRSP are generally not permitted due to pension legislation.

Required minimum withdrawals from registered income solutions

The minimum amount you must withdraw from RRIFs, LIFs, LRIFs, PRIFs, and RLIFs is dependent on your age and is expressed as a percentage of the value of your plan assets at the beginning of each year.

Remember – while the minimum amount is the same for all five plans, LIFs, LRIFs and RLIFs also have maximum withdrawal requirements that are calculated using different formulas.

Contact one of our Retirement Consultants for more information.

More about...government retirement income programs

There are three key government retirement income programs you'll want to familiarize yourself with:

- Canada Pension Plan (CPP)/Quebec Pension Plan (QPP)
- Old Age Security (OAS)
- Guaranteed Income Supplement (GIS)

Here are some key facts on government retirement income programs. While we make every effort to keep this information current, the government does occasionally change certain provisions. It's always best to confirm facts with government publications and/or websites.

	CPP/QPP	OAS	GIS
What is it?	A monthly payment to retirees who contributed to CPP/QPP in their working years. It is taxable income.	A monthly payment to eligible Canadians aged 65 or older. It is taxable income.	A supplement to OAS for lower-income seniors. Not subject to income tax.
Who qualifies?	You must have worked, made at least one valid contribution, and be at least 60 years old.	You must be 65 years or older and have lived in Canada for a specified number of years to qualify. Benefits are income tested; some or all of your monthly payment may be subject to a clawback if your annual taxable income is above a specified threshold.	Lower-income seniors, 65 years and older, may apply. An income threshold applies.
When do payments start?	You must apply to receive payments. Normal retirement age is 65 years old, but you can start receiving your CPP/QPP earlier or later than age 65. Deferring the start of CPP/QPP payments can provide you with a higher monthly payment. Please visit servicecanada.gc.ca or rrq.gouv.qc.ca to find out how your benefit payments are affected by your age and other factors.	You must apply to receive OAS payments. Based on your income, you may also qualify for GIS. Payments begin one month after the normal retirement age of 65. (Note: If you were born on or after April 1, 1958, you may have to wait until age 67 to start receiving OAS/GIS.) You can defer starting OAS for up to five years after you become eligible, providing you with a higher monthly payment.	

	CPP/QPP	OAS	GIS
How do you apply?	You should apply at least six months before you would like CPP/QPP payments to start. You can print CPP forms online at servicecanada.gc.ca and QPP forms at rrq.gouv.qc.ca .	You should apply at least six months before you would like payments to start. You can print forms at servicecanada.gc.ca .	You can apply online at servicecanada.gc.ca , and you can re-apply through annual income tax returns.
How much are the benefits?	Benefit payments vary, depending on how long you've worked, your age and the adjustment for inflation from year to year.	Benefit payments vary, depending on how long you have lived in Canada and upon your annual taxable income. For example: <ul style="list-style-type: none"> ▶ You may qualify for full OAS if you have lived in Canada for 40 years since you were age 18. ▶ If you have lived in Canada for 10 years, you may qualify for 25% of the maximum OAS payment. Ten years' residency (after turning 18) is the minimum to be eligible for OAS. ▶ Depending on your annual taxable income, there may be a government clawback of all or some of the OAS payment. Consult the <i>Old Age Security (OAS) clawback calculator</i> for an estimate of your monthly OAS payment. Access the calculator by signing into mysunlife.ca and going to <i>my financial centre</i> ▶ <i>my money tools</i>. 	Benefit payments vary based on income levels.
Is the benefit payment taxable?	Yes	Yes	No

About pensions and taxable income

If you have a TFSA or non-registered savings, you may be able to withdraw a combination of taxable and non-taxable income to minimize your taxes and maximize your income-tested government benefits like OAS. A Sun Life Financial Retirement Consultant or Advisor can explain how your total income from all sources may impact your income-tested benefits, so you can determine what makes sense for your personal situation. For personalized, holistic tax planning, you may wish to consult an accountant or tax specialist.

▶ Important resource

Refer to the *Annual Expenses and Retirement Income Worksheet* on page 20 of this booklet. It will help you list your income sources and the amounts from each and calculate your potential retirement income.

Managing retirement risks

It's no surprise that when markets fluctuate, you may feel uncertain about several aspects of your retirement:

- › Will I outlive my savings?
- › Will market downturns affect my retirement lifestyle and level of retirement income?
- › How will inflation affect my retirement lifestyle?

In your pre-retirement years, there are three significant risks that could impact your retirement income and retirement lifestyle:



Risk 1 **Longevity Risk**

The longer you live, the greater your chances of outliving your money. As we've discussed, life expectancy has never been higher.

Despite the strong possibility of living into your 80s or 90s, many people underestimate their lifespan and risk outliving their assets. With your health and comfort at stake, it's not a risk worth taking – especially as medical advances continue to extend life expectancies even further.

Risk 2 **Market Risk**

When you are nearing retirement, market volatility can pose a significant threat to your retirement savings, since you don't have many years to recoup any losses that may occur.

A sizeable market downturn as you get closer to retirement can impact your portfolio and your potential retirement income. With the immediate need for drawing an income, there's no time for your investments to recover.

In the crucial years leading up to, and just after, retirement, the interaction between your rate of withdrawal and the sequence of returns can have a dramatic impact on how long you'll be able to draw income from your portfolio. Unfortunately, you can't predict how the markets will perform.

Risk 2
Market Risk
(continued)

Important resource

Find out the impact of a withdrawal today on your future retirement savings by using the *Withdrawal calculator*.

Access the tool by signing into your account at mysunlife.ca and going to *my financial centre* > *my money tools*.

Here's an example. Let's say three people each have a \$100,000 portfolio at age 65 and they each withdraw \$750 per month.

They all invest their portfolio differently:

Person A earns 7% in each of the first three years.

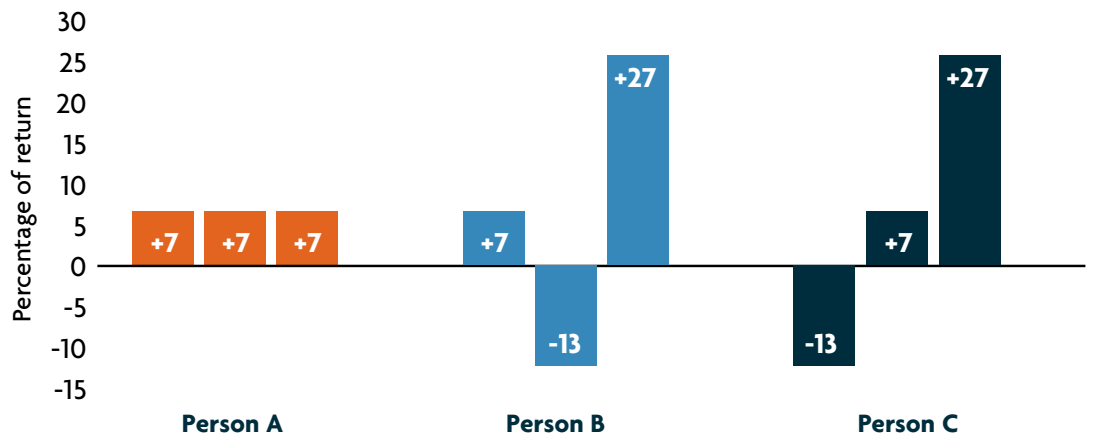
Person B has returns of 7%, -13% and 27% in the first three years.

Person C has returns of -13%, 7% and 27% in the first three years.

Each person averages a 7% return over three years, but the sequence of returns is quite different.

Here's the question.

If this sequence of three-year returns repeats indefinitely, which person runs out of money first?



The correct answer is Person C.

The age when assets will be depleted:



That means Person C will run out of money a full 6 years before Person A. As you can see, despite the fact that the three-year average return is 7% for each sequence, the order of returns has a dramatic effect on how quickly retirement assets are depleted.

Risk 3 Inflation Risk

Important resource

To see how your expenses could increase over time due to inflation, use the *Bank of Canada Inflation Calculator*, found at <http://www.bankofcanada.ca/rates/related/inflation-calculator/>.

Inflation rates are currently at historical lows, but even at 2% inflation, for example, the purchasing power of a dollar is reduced by more than 30% after 20 years.

At 4% inflation (which is the average inflation rate over the past 50 years)¹⁰ your buying power is reduced by almost 55% after 20 years.

With so many Canadians living 20 to 30 years or more in retirement, inflation will have a dramatic impact on your spending power during this time period.

What \$1 will buy in 20 years:



There are solutions to help deal with the effects of inflation. Whether you've had a financial plan in the past or not, it's a good idea to build one now. Sound advice, a long-term vision and contingency plans are important to safeguarding the retirement lifestyle you've worked hard for.

What can you do to manage risk?

- ▶ Work with a Sun Life Financial Retirement Consultant or Advisor.
- ▶ Diversify your investments; investing only in Guaranteed Income Certificates (GICs) may not keep up with inflation.
- ▶ Consider guaranteed retirement income solutions to protect you from market fluctuations.
- ▶ Put a power of attorney in place to protect yourself in the event that you are unable to make financial decisions on your own.
- ▶ Consider the types of insurance you need in retirement, and find out whether you can extend your workplace health benefits following retirement, either through your employer or through your benefits provider.

In fact, just 1 in 5 Canadians (22%) have a written financial plan. Only 51% of those with a written financial plan say it covers personal insurance (e.g. personal health, critical illness, etc.).

Of those with a written financial plan, 73% say they are "very satisfied" or "somewhat satisfied" with how much they are saving for retirement. Only 36% of those without a plan say the same.

Source: Ipsos Reid 2015 Sun Life Canadian Unretirement Index

By speaking with a Retirement Consultant or an Advisor you can decide which income solution, or combination of solutions, would best suit your personal situation.

¹⁰<http://www.bankofcanada.ca/rates/related/inflation-calculator/>

Taking action on your retirement plan

Now that you have reached this point in the guide, you probably have a better understanding of your retirement income needs and options. You've helped yourself take the first step in building a plan that fits your retirement. Now, it's time to take action.

Sun Life Financial's Client Solutions Centre offers group plan members free, ongoing, one-on-one telephone support to provide plan guidance and information on available options. We have a team of licensed Retirement Consultants who can guide you in determining the retirement income solution suitable for you (RIF/LIF and/or annuity), and in setting this up.

Our Retirement Consultants are available by phone to discuss:

- ▶ Retirement income planning for assets accumulated through your workplace plan(s), including a review of your risk tolerance and your investment strategy
- ▶ Gaining additional savings through consolidation of assets (including commuted values from a Defined Benefit Pension Plan)
- ▶ How government programs and your own workplace retirement savings plan work with your financial picture
- ▶ Insurance solutions to protect you and your family's financial future
- ▶ Options for spousal assets

Our Retirement Consultants can also connect you with an Advisor who can meet with you in person for a more in-depth discussion on building and protecting your savings.

In addition to the services provided by Retirement Consultants, an Advisor can also help you to:

- ▶ Assess your current situation by examining your finances holistically, including tax and estate considerations
- ▶ Set achievable financial goals, identify opportunities and develop a realistic plan to meet those goals
- ▶ Put your plan into action and monitor its progress
- ▶ Revise your plan to accommodate changes in your goals

Next steps

1. Consult the CRA and RRQ websites for information on government programs: cra.gc.ca and rrq.gouv.qc.ca.
2. Refer to online tools and resources in the Retirement income section of sunlife.ca/Choices. Access additional tools by signing into your account at mysunlife.ca and going to *my financial centre* ▶ *my money tools*.
3. Follow the steps in the *Retirement Resources Checklist* on page 18 of this booklet:
 - ▶ Revisit your retirement savings to make sure you are on track
 - ▶ Make sure you have a financial plan and estate plan in place
 - ▶ Understand what you need to do with your employer
 - ▶ Ask your employer or benefits provider if you can extend your benefits coverage in retirement
 - ▶ Understand what you need to do with your government benefits.
4. Complete the *Annual Expenses and Retirement Income Worksheet* on page 20 of this booklet.
5. Call one of our Retirement Consultants so they can help you make informed decisions about your retirement savings or provide you with a referral to an Advisor.

Sun Life Financial's Client Solutions Centre offers Choices members free, ongoing, one-on-one telephone support to provide plan guidance and information on available options.

Retirement Consultants are available any business day from 8 a.m. to 6 p.m. ET.

Call 1-866-224-3906 (select option 1).

Why Sun Life Financial Choices?



Plan members who transition out of a workplace plan may continue to enjoy convenience, peace of mind, and many advantages similar to those of workplace plans through the Group Choices Retirement Income Plan.

Our Retirement Income Plan can help you make the transition into retirement through an array of insurance and retirement income solutions.

As a Choices member you benefit from:

Convenience	A Retirement Consultant can guide you through the enrolment process over the phone. You can also access your accounts and helpful retirement planning tools and information about additional valuable products and services you may be eligible for, including life, health and critical illness coverage. Sign into mysunlife.ca or call us for more details.
Access to diverse and well-managed investment funds	You can choose from more than 70 investment options, all managed by highly qualified fund managers many of whom are not available to the average individual investor, carefully chosen for their operational transparency, financial stability and market demand.
Lower fund management fees	You benefit from management fees that are in many cases lower than fees on similar funds with the top six Canadian banks ² .
Ongoing support and objective guidance	You have access to confidential one-on-one guidance by phone, through our Retirement Consultants, or we can match you with an Advisor who can meet with you in person to help you create or review your financial plan.

You can have **confidence** in continuing your relationship with a provider that **1 in 5 Canadians trust** with their lifetime financial security.

²Based on market research conducted by Sun Life Financial on publicly listed management fees for funds offered by the top six Canadian banks through financial advisors or their branch network, as of January 2016. The savings amount represents average management fees compared across similar asset categories (excluding Money Market and Bond asset categories). Fund management fees are subject to change. The fees vary based on factors including each person's individual portfolio mix and the funds selected. Please speak to a Retirement Consultant for details.

Glossary of retirement income options

Registered Retirement Income Fund (RRIF)

A RRIF provides you with income during your retirement years. A RRIF is like a continuation of a Registered Retirement Savings Plan whereby the funds remain tax-sheltered and you continue to choose how those funds are invested. The main difference is that instead of putting money in (contributing as is done with an RRSP), the RRIF is designed to pay money out.

With a RRIF you must withdraw a minimum amount each year (except for the year of purchase). There is no maximum limit on the amount that can be withdrawn but if you make significant withdrawals, your funds may not last as long as you originally intended.

Life Income Fund (LIF) and Locked-in Retirement Income Fund (LRIF)

These products provide income from money that was originally in an employer-sponsored pension plan. If you have money from a locked-in RRSP, Locked-In Retirement Account (LIRA) or pension plan, you can choose to put your assets into a LIF or, if available, LRIF. Locked-in assets are usually assets that were originally earned while you were employed and continue to be subject to pension legislation.

The tax-sheltered money invested in a LIF can provide regular income and is held in an account similar to an RRSP. You make all of the investment decisions and a LIF can be held for life, or it can be converted to an annuity. A LIF is creditor-protected, meaning creditors cannot access LIF funds in the event of insolvency or bankruptcy. A spouse or pension partner may be deemed the beneficiary on a LIF if they have not waived this privilege. Like a RRIF, there are minimum withdrawal requirements based on your age, but there are also maximum withdrawal limits. Withdrawals are taxable as income. Pension jurisdictions regulate the maximum annual withdrawal amount.

LIFs are available in every pension jurisdiction, except Prince Edward Island where there is no pension legislation. LRIFs are only available in Manitoba and Newfoundland.

Prescribed Retirement Income Fund (PRIF)

PRIFs are similar to regular Registered Retirement Income Funds (RRIFs), with the exception that a PRIF may be creditor-protected, meaning creditors may not be able to access PRIF funds in the event of insolvency or bankruptcy, and, like Locked-in Retirement Income Funds (LRIFs), you can only transfer locked-in retirement funds into a PRIF. A spouse or pension partner may be deemed the beneficiary on a PRIF if they have not waived this privilege. PRIFs do not have a maximum annual withdrawal amount. PRIFs are currently only available in Manitoba and Saskatchewan.

Restricted Life Income Fund (RLIF)

Similar to a Life Income Fund (LIF), however, a RLIF annuitant may on a one-time basis unlock 50% of the funds. RLIFs are available only for PBSA (Pension Benefits Standard Act) federally-regulated pension plans.

Annuities

Annuities can provide you with monthly payments for the rest of your life, at a set term or a set number of payments.

There are no tax implications at the time of purchase. If you purchase an annuity using your registered savings, then your payments are fully taxed. If you purchase an annuity using your non-registered savings, only a portion of the annuity (the interest) is taxable.

Retirement resources 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.

- Using the notes page in this guide, make a list of lifestyle priorities for your retirement, taking into consideration:
 - What will you do with the time you used to spend at work?
 - Will your ideas or priorities change over the years?
 - If you have a spouse, does he or she have the same ideas and priorities?

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.
 - Complete the *Annual Expense and Retirement Income Sources Worksheet*.
 - Use the *Bank of Canada Inflation Calculator*, found at <http://www.bankofcanada.ca/rates/related/inflation-calculator/>, to see how your expenses could increase over time due to inflation.
 - 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.
 - The *Annual Expense and Retirement Income Sources Worksheet* will help. Remember to include all sources of income (government benefits, employer-sponsored plans, personal savings, etc.).
- Consult online or paper retirement planning tools, such as:
 - Sun Life Financial's *Retirement planner* at mysunlife.ca (sign into your account to access the tool).

3. Consider working with a Sun Life Financial Retirement Consultant or Advisor to put a financial plan in place.

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.

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.

Our Retirement Consultants are available any business day from 8 a.m. to 6 p.m. ET.

Call 1-866-224-3906 (select option 1).

Are you retirement ready?

Once you have completed steps 1-3 you should have a better idea if you are you on the right track to reaching the retirement you envisioned.

Are you on track?		
No – What do I do?	I've saved more than I expected.	Yes – I'm right where I thought I should be.
Don't panic. Work through the Retirement planner by signing into mysunlife.ca . Speak with a Sun Life Financial Retirement Consultant or Advisor.	Excellent. Make a note to consider tax implications of extra savings.	Great. Keep up the good work!

Protecting what you've built
Building a retirement income plan is key to enjoying the retirement you want, however it's important to protect what you've built using insurance coverage that fits your needs.

50+? Plan today for the life you want to live tomorrow.

Find out how Care at Home insurance can help maintain your independence and protect your financial future.

Call 1-866-224-3906 (select option 1) any business day from 8 a.m. to 6 p.m. ET and speak with a Sun Life Financial Retirement Consultant.

Annual expenses and retirement income worksheet

Annual expenses worksheet

What will my expenses be at retirement? Fill this out by adjusting your current expenses to reflect the changes inherent to retirement (reduction of transportation costs, your health and/or the need for emergency funds).

Please enter the expenses you expect to have in retirement thinking comparatively to what you spend today.		
Current age:		
Planned retirement age:		
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:	\$	\$
Clothing:	\$	\$
▶ Dependent / family care:	\$	\$
Personal care (Hairstylist, etc.):	\$	\$
Emergency funds:	\$	\$
Health	Current Monthly	Retirement Monthly
Insurance (life and health):	\$	\$
▶ Prescriptions:	\$	\$
Dentist / Chiropractor / Optometrist / etc.:	\$	\$
Transportation	Current Monthly	Retirement Monthly
Car payment / lease:	\$	\$
▶ Car insurance / registration:	\$	\$
Fuel / maintenance:	\$	\$
Public transportation:	\$	\$

Clothing costs may decrease as your emphasis shifts from business attire to casual wear.

Check to see whether the health benefits you received from your last employer will continue to you and a non-working spouse in retirement.

If you own two vehicles, consider whether you'll continue to need both in retirement.

Annual expenses worksheet (continued)

Budget for travel, hobbies, and other leisure activities if they'll be an important part of your retirement lifestyle.

An emergency fund can cover unexpected and occasional expenses.

Basic expenses		
Other / emergency / debt	Current Monthly	Retirement Monthly
	\$	\$
Discretionary		
	Current Monthly	Retirement Monthly
Dining out:	\$	\$
Movies / theatre:	\$	\$
Newspaper / magazines / books:	\$	\$
➤ Sports activities / hobbies:	\$	\$
Travel / vacation:	\$	\$
Further education:	\$	\$
Donations / gifts:	\$	\$
➤ Other / emergency funds:	\$	\$

Keep in mind that expenses will change as you age. There are different phases to retirement. Early on, you will spend more on leisure but that will decrease as you slow down and your priorities change.

Retirement income sources worksheet

Please list your annual income from guaranteed sources, and your lump-sum savings. If you have a spouse, please list their income and savings information as well.

	Self	Spouse	Total
Annual guaranteed income			
Canada/Quebec pension plan			
Old age security			
Defined benefits pension			
Annuity payments			
Total annual guaranteed income			

	Self	Spouse	Total
Lump sum savings			
RRSP(s)			
Defined contribution pension plan			
Deferred profit sharing plan			
Other registered plan (RRIF/LIF/LRIF)			
Non-registered savings			
TFSA			
Total lump sum savings			

DISCLAIMER

This material is intended as a general guideline for retirement income planning purposes, and is current as of publication date (April 2016). Market conditions and other factors change over time, and this will affect either positively or negatively one or more asset classes. The investment assumptions we've used are based upon historical investment returns, and past returns may not reflect future investment performance.

In order to identify an asset allocation model which is appropriate for your individual circumstances, you should contact a Retirement Consultant or the plan advisor who is familiar with your personal financial circumstances and understands your tolerance for risk.

Every effort has been made 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.



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