

WHY CI IS ESSENTIAL TO RRSP PLANNING



A missing piece of a financial plan is all it could take to lose years and years of Registered Retirement Savings Plan (RRSP) growth, not to mention the comfortable retirement you've dreamt about.

It happened to Sam and Jen White. Sam, 43 and Jen, 39 have two young children, a house, a mortgage and dreams for retirement. They have been saving since they were married and jointly managed to accumulate \$150,000 in RRSPs.

They have life insurance in place that would ensure their family is taken care of should anything happen to either one of them. Then Jen is diagnosed with breast cancer. She takes immediate leave from work to focus on treatment and recovery. Her treatment is aggressive and will require that she be off work for at least 6 – 8 months. Sam now becomes the primary caregiver and his own income suffers as well. Jen's doctors have recommended a non-insured treatment to help her recovery, but the money is just not there. Their RRSPs are their only answer.

The Next question is, **will they have enough?**



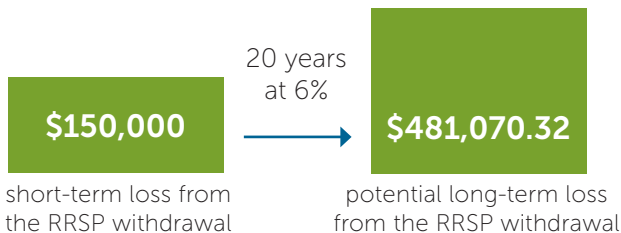


No, they will not have enough.

Sam and Jen have calculated and they think they will need \$95,000. With their marginal tax rate of 46%, even if they withdraw their full \$150,000 in RRSPs, they will only net \$81,000 after tax, leaving them with no savings and a shortfall of nearly \$14,000.

A critical illness can have a devastating effect on your finances. The most thorough retirement income projections typically do not make allowances for the additional costs of living involved when someone suffers from a critical illness such as cancer or heart attack. By depleting their RRSPs, the effect on Sam and Jen's financial and retirement plans is devastating. In addition, the long-term loss of compounded returns could be enormous.

Impact on Retirement Savings



(\$150,000 compounded at 6% for 20 years = \$481,070.32)

The right insurance coverage can protect your savings and the retirement lifestyle of your dreams. Empire Life Vital Link Critical Illness Insurance provides a tax-free lump sum cash benefit upon diagnosis of one of 23 critical illnesses and life-altering conditions including heart attack and cancer. You can also protect your premiums. If you own a Vital Link policy and you do not become ill, you could receive all of your premiums back by adding a Return of Premium rider to your plan. That's right, you can have this valuable coverage plus receive all premiums paid into the policy if you do not incur a critical illness.

Critical Illness insurance is an important part of your overall financial plan. You can either take the chance and hope that a life-altering illness will not deplete your savings or income, or protect yourself by adding Empire Life Vital Link Critical Illness Insurance.

For more information, please contact your financial advisor who can help put the final piece of your financial plan in place.

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