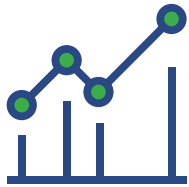


# LIFE IN RETIREMENT



## OUTLIVING YOUR MONEY

According to Stats Canada 2012/2013, Canadians aged 65 have a life expectancy of 20.5 additional years. This means retirement savings must outlive you after you retire.



## SURVIVING MARKET VOLATILITY

Markets rise and fall. Leading up to or early into retirement, a down market will not only reduce your retirement fund but hamper your ability to have a comfortable retirement. Consult your advisor at least once a year and even more often closer to retirement.



## YOUR MONEY BUYS LESS

Inflation ranges between 1%–3% annually. Overtime, we will need more funds to keep up the same lifestyle.



## UNEXPECTED HEALTH PROBLEMS

Be prepared for unforeseen health conditions. Over time, health conditions can worsen and new ones emerge that may need assistance or treatment.

Secure your future by acquiring an annuity.

**1. Estimate your budget for Life in Retirement**

MONTHLY FINANCIAL NEEDS	
Mortgage / Rent	
Groceries	
Health Expenses	
Clothing	
Insurance	
Loans	
<b>Total monthly expenses</b>	<b>(A)</b>

LIFETIME SAVINGS	
Registered Savings (Including RRSP and defined contribution balance)	
Non-Registered Savings	
TFSA	
LIF / Life Income Fund	
<b>Total Savings</b>	<b>(B)</b>

MONTHLY BENEFITS	
Defined Benefit Plan Entitlement	
CPP <sup>1</sup> / OAS <sup>2</sup>	
<b>Total Benefits</b>	<b>(C)</b>

<sup>1</sup>CPP Average (2018) \$691.93 / Maximum (2018) \$1,134.17  
<sup>2</sup>OAS General (2018) \$589.59

**2. Calculate your cost for an annuity.**

(D) ANNUITY FACTOR (\$ / MONTH)		
Age	Male	Female
50	\$268.36	\$290.53
55	\$244.09	\$266.48
60	\$220.73	\$240.75
65	\$193.20	\$215.75

**FORMULA:**

(A - C) x (amount corresponding to age and gender) =  
 Amount needed to purchase annuity

**EX:**

(\$2,500 - \$1,500) x \$244.09 = \$244,090 (male/55/budget \$1,000)

\*Head office authorization required for a premium higher than \$750,000. Calculations prepared on May 17, 2018 for illustration purposes only and are subject to change. Factors used to make calculations: Monthly, Non-Registered, Life Annuity of 20 years (age 50 to 70).

**(E) COST OF ANNUITY = [(A) Monthly Financial Needs – (C) Monthly Benefits] x (D) Annuity Factor**

(E) \_\_\_\_\_ = [(A) \_\_\_\_\_ - (C) \_\_\_\_\_] x (D) \_\_\_\_\_

**3. Solution**

(B) Total Savings – (E) Cost of Annuity = Amount available for Seg Funds or (Amount to be accumulated)

- If positive go to option 1 - If negative go to option 2

**OPTION 1, LIFE IN RETIREMENT – READY FOR RETIREMENT**

Purchase an annuity of: \_\_\_\_\_ (A minus C) dollars per month.

Invest the difference: \_\_\_\_\_ (B minus E)

**OPTION 2, LIFE IN RETIREMENT – PREPARE FOR RETIREMENT**

Amount needed to purchase an annuity: \_\_\_\_\_ (E minus B)

PAC Monthly\*: \_\_\_\_\_ for \_\_\_\_\_ years

\*To help determine the amount required, consult our website [www.assomption.ca](http://www.assomption.ca), investment and retirement calculator, use "Savings Calculator".