

RBC Payout Annuities: Stability, tax and estate planning



Insurance

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It's understandable many Canadians are concerned about retirement. Payout annuities (POAs) can help bring stability to those wanting a guaranteed income throughout their post-career years. Plus, they provide optimal tax and estate-planning benefits.

Payout annuities are well-suited for those who:

- **Tend to worry about market instability**
 - Annuity income is guaranteed for the life of the contract – and is never affected by market volatility or interest rate changes.
 - By converting a lump sum of money to an annuity, clients can receive regular income payments throughout retirement.
- **Are looking for tax efficiencies**
 - For non-registered contracts, all RBC® Payout Annuities are taxed on a prescribed basis. This strategy results in level taxation as the tax liability is spread out evenly over the life of the contract.
 - Income from payout annuities is considered eligible pension income for the \$2,000 pension income tax credit. If applicable, it reduces your client's federal taxes payable.
 - Payout annuity income is also eligible for pension income splitting. A higher income spouse can transfer up to 50% of taxable pension income to a lower income spouse to offset the household tax.
- **Want estate planning for loved ones**
 - Clients opting for a minimum guarantee period will ensure income payments continue for a spouse with a joint life annuity. If applicable, payments can also continue for a named beneficiary or can be taken as a lump sum commuted value.



Nearly 60% of Canadians don't have a workplace pension plan.¹
An RBC POA might be the right solution.

Get started

- The Annuity Illustrations tool can help you access competitive payouts to customize a payout strategy that's right for clients. [Start here](#)
- Payout annuities are backed by the strength and stability of RBC Insurance®, with guaranteed rates and an easy application process.

Learn more about RBC Payout Annuities and their benefits.

Please contact a sales consultant at 1-866-235-4332 or visit the Sales Resource Centre.

¹ Statistics Canada, Pension Plans in Canada as of January 1, 2021.

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