



# Simon Fraser University

Group LIF/RRIF Program



SIMON FRASER UNIVERSITY  
ENGAGING THE WORLD

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 can help along the way.

This guide is designed to help you:

Define your retirement lifestyle.....	Page 3
Assess your retirement income needs.....	Page 5
Identify your sources of retirement income.....	Page 7
Manage retirement risks.....	Page 12
Take action .....	Page 15
The <b>Simon Fraser University Group LIF/RRIF Program</b> .....	Page 16
Investment options .....	Page 17
Plan information.....	Page 18
Access your plan .....	Page 20
Appendix:	
Glossary of retirement income options .....	Page 21
Retirement resources checklist.....	Page 22
Annual expenses and retirement income worksheet.....	Page 24

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 consultants<sup>1</sup>; 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 **Simon Fraser Group LIF/RRIF Program**. You can enrol over the phone, and you keep your existing **mysunlife.ca** access. The Plan offers ongoing support from retirement consultants and competitive management fees.

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



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

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

<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).

# 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:

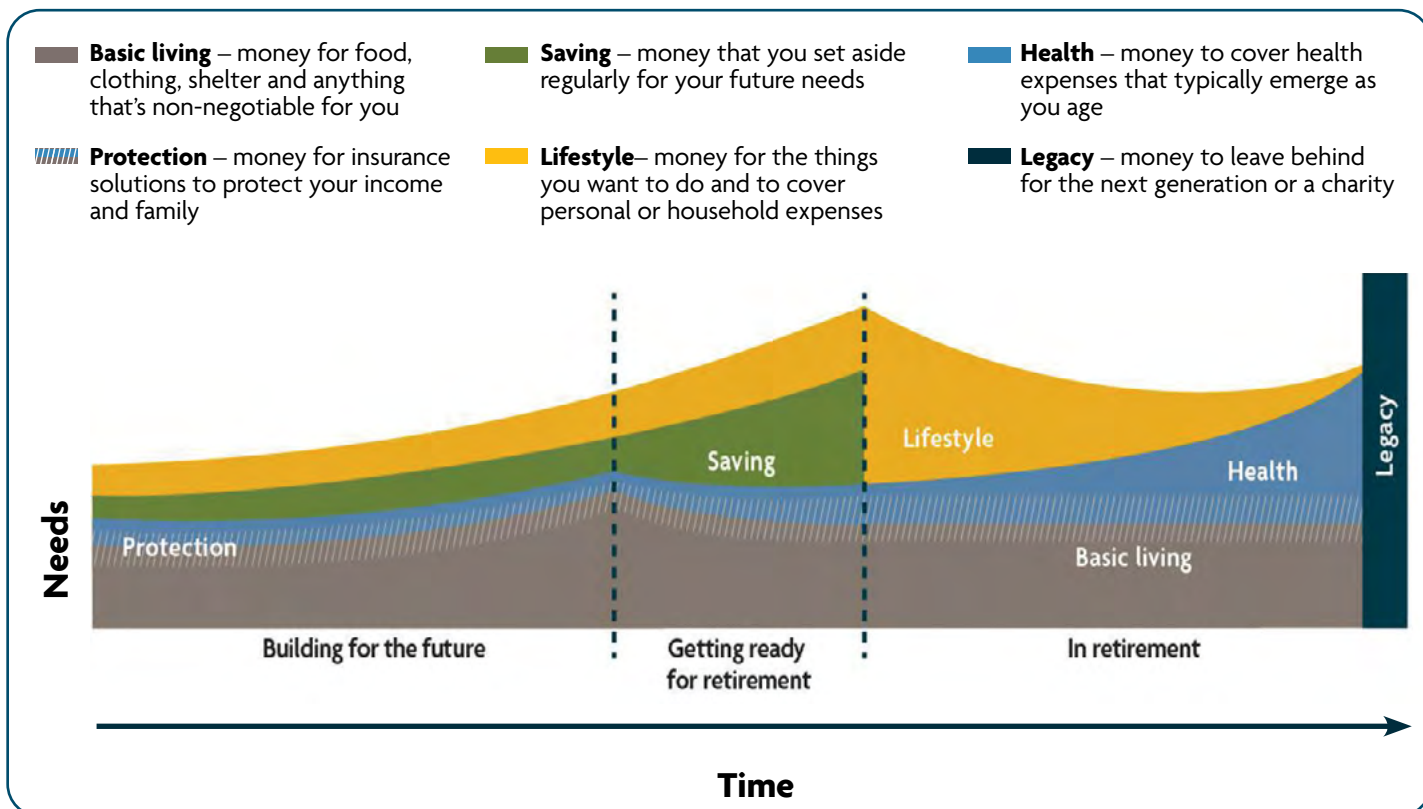
- What will you do the rest of the time?
- Will your ideas or priorities change over the years?
- If you have a spouse, does he or she have the same ideas and priorities?

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 Canadian retirees on average only need 62% 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.<sup>2</sup>

## How to make your money last longer?

By transferring in savings you have with other financial institutions, you can take full advantage of your Simon Fraser University Group LIF/RRIF Program, including access to retirement consultants, the ability to manage your investments online and a variety of investment options.

Additionally, as a plan member, you will continue to benefit from competitive group plan investment management fees.

### What can you do today?

1. Complete the *Annual Expenses and Retirement Income Sources Worksheet* on page 24 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 under *Investments* 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 1.00 reduction in fees (ignoring any withdrawals) can save you over the long term!**

Years invested	Single lump-sum amount	Balance in your account <sup>3</sup>		Additional growth in savings 1.00 reduction in management fees
		1.00% fee	2.00% fee	
10	\$100,000	\$147,314	\$133,093	<b>\$14,221</b>
20	\$100,000	\$217,015	\$177,136	<b>\$39,879</b>
30	\$100,000	\$319,694	\$235,755	<b>\$83,939</b>

2016 Sun Life Retirement Now Report

<sup>3</sup> Assumes a 5% investment growth rate. This chart is for illustrative purposes only. It is not intended to predict or project investment results.

# Identifying your sources of income

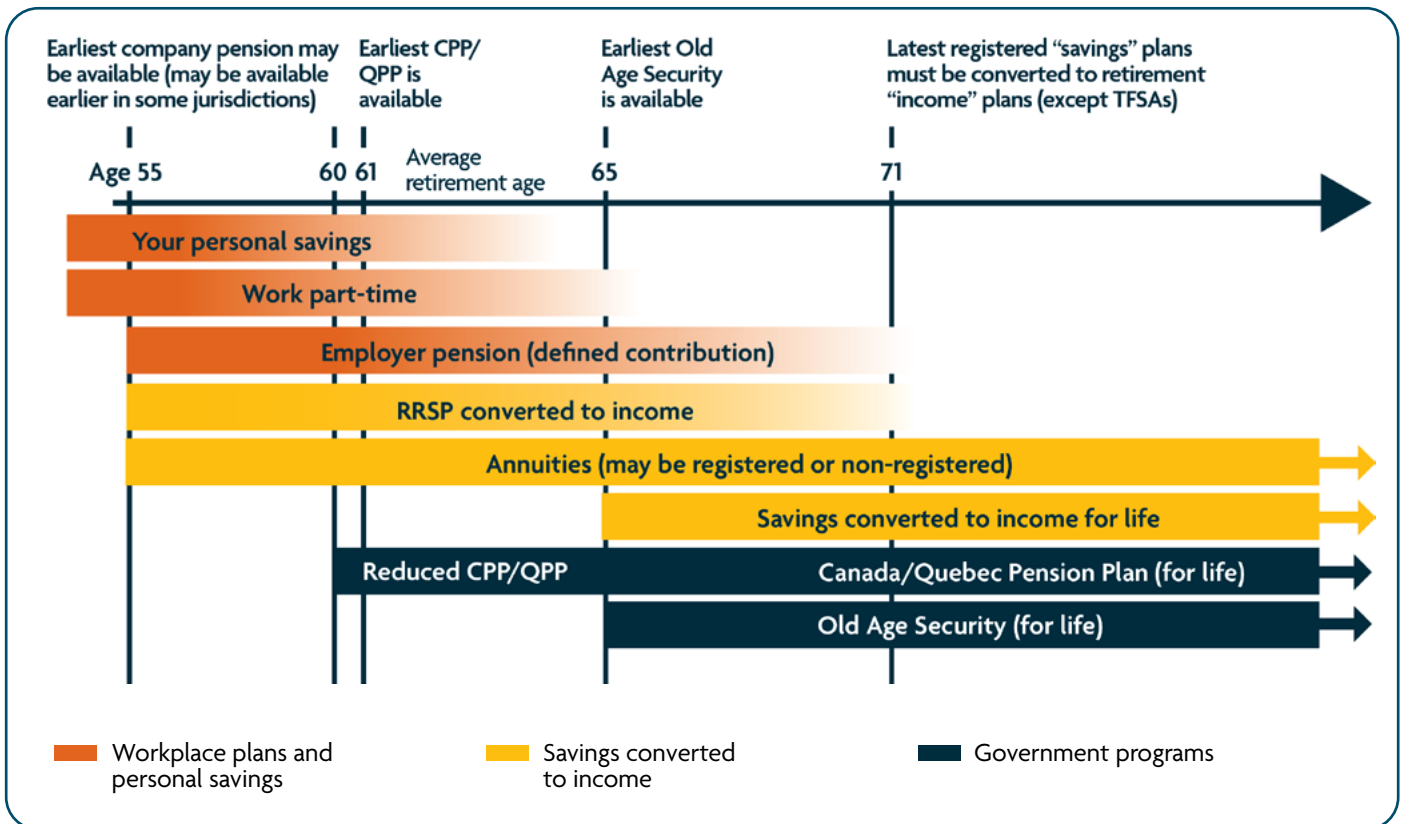
**Take note**  
 Most retirement income sources are taxable. If you draw too much income, it may affect your Old Age Security payments. Talk to our retirement consultants about income splitting with a spouse, and about supplementing your lifestyle with tax efficient non-registered income sources, such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

## 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



**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.<sup>4</sup>

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

## 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 31<sup>st</sup> 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)<sup>5</sup>, 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.



<sup>5</sup> A 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 retirement<sup>6</sup>. 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><b>Money in</b></p> <ul style="list-style-type: none"> <li>› From an RRSP</li> <li>› From a Registered Pension Plan (RPP) (non-locked-in assets)</li> <li>› From a DPSP</li> </ul>	<p><b>Registered Retirement Income Fund (RRIF)</b></p> <ul style="list-style-type: none"> <li>› Assets held in an account much like an RRSP</li> <li>› Tax deferred</li> <li>› You make all investment decisions</li> </ul>	<p><b>Money out</b></p> <ul style="list-style-type: none"> <li>› Must withdraw a minimum % amount annually based on your age or your spouse’s age</li> <li>› No maximum withdrawal limit</li> <li>› Withdrawals are taxable as income</li> </ul>
<p><b>Money in</b></p> <ul style="list-style-type: none"> <li>› From a Locked-In RRSP</li> <li>› From a Locked-In Retirement Account (LIRA)</li> <li>› From a Registered Pension Plan (RPP) (locked-in assets)</li> </ul>	<p><b>Life Income Fund (LIF)<sup>6</sup></b></p> <ul style="list-style-type: none"> <li>› Assets held in an account much like an RRSP</li> <li>› Tax deferred</li> <li>› You make all investment decisions</li> <li>› Not available in all jurisdictions, in some cases other income options may be available (see page 21). In most pension jurisdictions, a LIF may be held for life; in Newfoundland, it must be converted to an annuity at age 80</li> </ul>	<p><b>Money out</b></p> <ul style="list-style-type: none"> <li>› Like a RRIF, must withdraw a minimum % amount annually based on your age and, in most cases, your spouse’s age</li> <li>› There is a maximum withdrawal limit, which changes each year based on your age and a formula prescribed by the applicable pension legislation</li> <li>› Withdrawals are taxable as income</li> </ul>
<p><b>Money in</b></p> <ul style="list-style-type: none"> <li>› 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)</li> </ul>	<p><b>Annuities</b></p> <ul style="list-style-type: none"> <li>› Purchased from a life insurance company for a lump-sum amount</li> <li>› 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</li> <li>› For a cost, can add enhancements such as inflation protection, guaranteed number of years of payment, payments to a spouse after your death</li> <li>› Investment decisions are made by the life insurance company</li> </ul>	<p><b>Money out</b></p> <ul style="list-style-type: none"> <li>› Payments typically paid monthly and are generally guaranteed for life</li> <li>› If annuity purchased with registered savings (except TFSA), then payments are fully taxable as income</li> <li>› If annuity purchased with non-registered or TFSA savings, then only a portion of annuity payments are taxable</li> </ul>
<p><b>Money in</b></p> <ul style="list-style-type: none"> <li>› From regular contributions made by your employer and/ or yourself</li> </ul>	<p><b>Defined Benefit Pension Plan (DBPP)</b></p> <ul style="list-style-type: none"> <li>› If applicable; may apply to you if you were a member of a DBPP with a previous employer</li> <li>› Provides payments for life, based on a pre-determined formula that may take into account your age, salary and/or years of service</li> <li>› Tax deferred</li> <li>› Investment decisions are made by the plan sponsor</li> </ul>	<p><b>Money out</b></p> <ul style="list-style-type: none"> <li>› Regular pension payments from the plan, generally guaranteed for life, taxable as income</li> <li>› Commuted value<sup>7</sup> 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</li> <li>› Commuted value<sup>7</sup> as a transfer to another registered plan</li> </ul>

<sup>6</sup> There are unlocking provisions in certain pension jurisdictions, so you may have different income options in certain situations. For details, contact a retirement consultant.

<sup>7</sup> The 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 solution<sup>8</sup>, 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 21). 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
<b>Advantages</b>	<p>Extremely flexible – can take income as needed (subject to minimum withdrawal requirements, and maximum withdrawal limits for LIFs, LRIFs and RLIFs)</p> <p>Potential for investment growth through a diversified investment strategy</p> <p>Payments can continue to your spouse in the event of your death</p> <p>Can convert to an annuity at any time if greater security is desired later in life</p> <p>Savings and investment income remain tax deferred until withdrawn</p> <p>Potential for capital to be left to the estate or beneficiary to leave a legacy</p>	<p>Consistent, stable income for life guaranteed by insurer (you assume no market risk)</p> <p>Joint annuity is a convenient way to guarantee financial security and lifetime income of spouse</p> <p>No investment management decisions</p> <p>Savings are not taxed at time of annuity purchase but annuity payments from registered assets are taxed as you receive them</p> <p>Payments can be indexed for inflation (if you select this option)</p>
<b>Disadvantages</b>	<p>Need time and knowledge or help to manage your investments</p> <p>You assume all market risk; poor returns could mean less retirement income</p> <p>Cannot guarantee income for life, cannot mitigate inflation risk; you assume longevity, market, and inflation risk</p>	<p>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)</p> <p>No flexibility in varying income from year to year</p> <p>The purchase of an annuity is irreversible</p>

<sup>8</sup> See Glossary on page 21

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 withdrawal<sup>9</sup>.

Because you can make withdrawals<sup>9</sup> 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.

<sup>9</sup> 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 <a href="http://servicecanada.gc.ca">servicecanada.gc.ca</a> or <a href="http://rrq.gouv.gc.ca">rrq.gouv.gc.ca</a> 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. 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 <a href="http://servicecanada.gc.ca">servicecanada.gc.ca</a> and QPP forms at <a href="http://rrq.gouv.qc.ca">rrq.gouv.qc.ca</a> .	You should apply at least six months before you would like payments to start. You can print forms at <a href="http://servicecanada.gc.ca">servicecanada.gc.ca</a> .	You can apply online at <a href="http://servicecanada.gc.ca">servicecanada.gc.ca</a> , 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"> <li>➤ You may qualify for full OAS if you have lived in Canada for 40 years since you were age 18.</li> <li>➤ 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.</li> <li>➤ 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 <a href="http://mysunlife.ca">mysunlife.ca</a> under <i>Investments</i> and going to <i>my financial centre</i> ➤ <i>my money tools</i>.</li> </ul>	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 retirement consultant or Financial 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

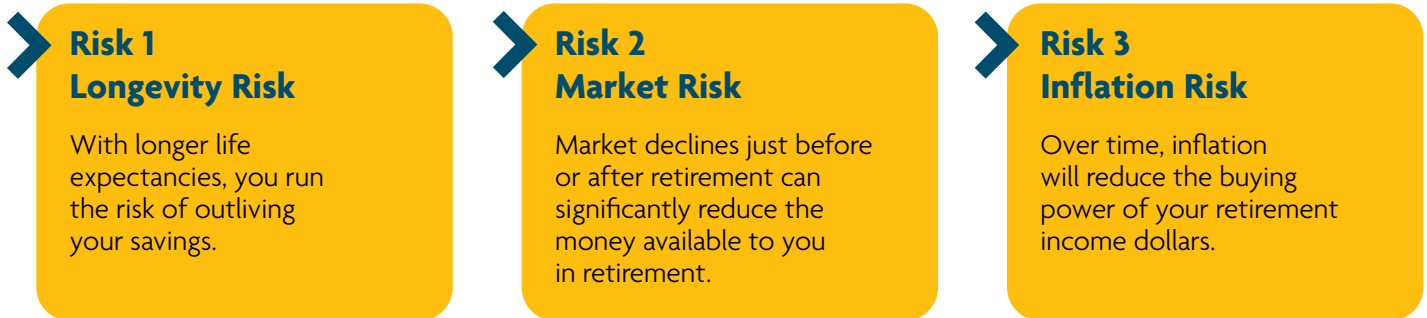
Refer to the *Annual Expenses and Retirement Income Worksheet* on page 24 of this booklet. It will help you list your income sources and the amounts from each and calculate your potential retirement income.

# 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](https://mysunlife.ca) and under *Investments* 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.

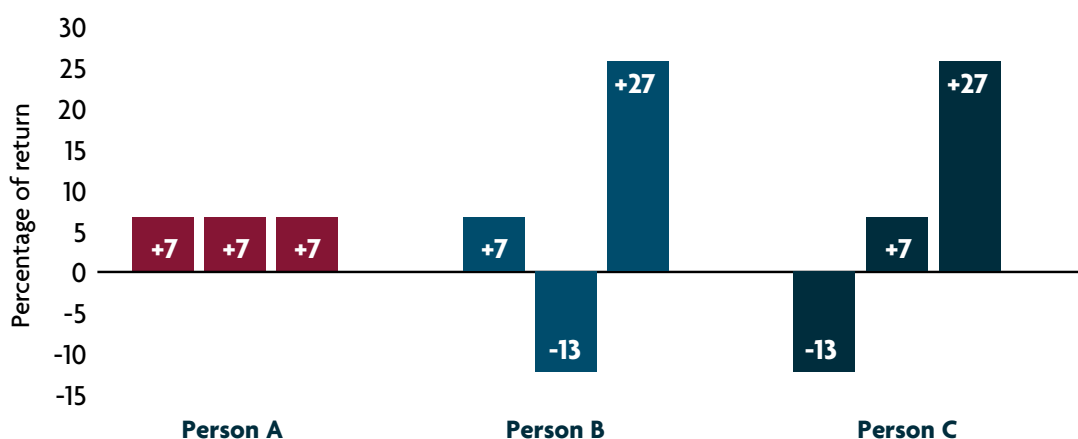
**Person B** has returns of 7%, -13% and 27% in the first three years.

**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 age when assets will be depleted:

**Person A** Age 87

**Person B** Age 83

**Person C** Age 81

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)<sup>10</sup> 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 retirement consultant or Financial 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.

By speaking with a Financial advisor you can decide which income solution, or combination of solutions, would best suit your personal situation. A Financial advisor can help you identify risks and create a financial plan for you to manage them.

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

<sup>10</sup> <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's Client Solutions Centre offers group plan members free, ongoing, one-on-one telephone support to provide plan guidance and information on available options. Our team of licensed retirement consultants can assist you in determining the retirement income solution suitable for you (LIF/RRIF 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 a Sun Life Financial 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, a Sun Life Financial 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: **Canada.ca** and **rrq.gouv.qc.ca**.
2. Refer to online tools and resources in the Retirement section of **sunlife.ca/Choices**. Access additional tools by signing into your account at **mysunlife.ca** and under *Investments* going to *my financial centre > my money tools*.
3. Follow the steps in the *Retirement Resources Checklist* on page 22 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 24 of this booklet.
5. Call one of our retirement consultants at **1-866-224-3906** (select option 1) any business day from 8 a.m. to 8 p.m. ET. They can help you make informed decisions about your retirement savings options or provide you with a referral to a Sun Life Financial advisor.

**Learn more about the  
Simon Fraser University Group LIF/RRIF Program  
and the investment options it provides.**

# The Simon Fraser University Group LIF/RRIF Program

You may continue to enjoy convenience, peace of mind, and many advantages similar to those of your workplace plan through the Simon Fraser University Group LIF/RRIF Program. You can also have **confidence** in continuing your relationship with a provider that **1 in 5 Canadians trust** with their lifetime financial security.

## As a plan member you benefit from:

### 1. Well-managed investment choices

Simon Fraser University sponsors a group LIF/RRIF that offers the same high-quality investment options available through the Simon Fraser University retirement plan, plus some additional options, at negotiated low fees.

### 2. Lower fund management fees

As a member of the Simon Fraser University Group LIF/RRIF Program, you will benefit from competitive group plan investment management fees that would generally not be available to you as an individual investor at a mutual fund company or other financial institution. Competitive fees, an important benefit of belonging to this group plan, can have a large impact on the costs you incur in your retirement income plan, and can help you keep more money where it belongs – in your account. Please see page 5 for more information on why lower fees are an important benefit of the plan.

### 3. Ability to consolidate outside assets

To allow you to take full advantage of the attractive fees and features offered, assets held at other financial institutions may be brought into the Simon Fraser University Group LIF/RRIF Program.

### 4. Spousal access to the plan

Spouses of Simon Fraser University retirees may enrol in the group LIF/RRIF program.

### 5. Ongoing support and objective guidance

You have unlimited access to confidential one-on-one guidance through Sun Life's licensed retirement consultants, or we can match you with a Sun Life Financial advisor who can help you create or review your financial plan.

### 6. Convenience

Review and manage your savings online at [mysunlife.ca](https://mysunlife.ca).

## Plan options and eligibility

When the time comes to convert retirement savings to retirement income, Simon Fraser University retirement plan members have the following options:

- a Simon Fraser University Group LIF/RRIF Program<sup>11</sup> with Sun Life
- a LIF/RRIF with Sun Life or another financial institution
- an annuity with Sun Life or another insurer

<sup>11</sup> The Simon Fraser University Group LIF/RRIF Program is a custom product available only to members who participate in the Simon Fraser University retirement plan.



# Investment options

High-quality funds have been selected with the needs of Simon Fraser University retirees in mind.

The funds available in the **Simon Fraser University Group LIF/RRIF Program** and their fund management fees (FMFs) are shown below.

Note: Simon Fraser University offers the **SFU Academic Pension Plan Balanced Option** as one of your investment options under the group LIF/RRIF fund line-up.

Asset class	Funds available through the plan <sup>12</sup>	FMFs <sup>13</sup>
Target date	BlackRock LifePath® Index Retirement Segregated Fund	0.43%
Guaranteed	SLA 1 Year Guaranteed Interest Account SLA 3 Year Guaranteed Interest Account SLA 5 Year Guaranteed Interest Account	N/A N/A N/A
Money market	Sun Life Money Market Segregated Fund	0.19%
Bond (fixed income)	BlackRock Universe Bond Index Segregated Fund PH&N Bond Segregated Fund	0.23% 0.40%
Balanced	CC&L Group Balanced Plus Segregated Fund <b>SFU Academic Pension Plan Balanced Segregated Fund</b>	0.60% 0.43%
Canadian equity	Beutel Goodman Canadian Equity Segregated Fund Beutel Goodman Small Cap Segregated Fund BlackRock S&P/TSX Composite Index Segregated Fund Fidelity Canadian Core Equity Trust Segregated Fund	0.43% 0.54% 0.24% 0.46%
Foreign equity	BlackRock Global Equity Index Segregated Fund BlackRock U.S. Equity Index Segregated Fund (Registered) Fiera International Equity Segregated Fund PH&N Fossil Fuel Free Segregated Fund TDAM International Equity Index Segregated Fund	0.33% 0.24% 0.79% 0.82% 0.26%

<sup>12</sup> Some of the funds offered under the plan may not be available to non-residents. Please talk to a Sun Life retirement consultant for more information.

<sup>13</sup> Fund Management Fees (FMFs) are expressed as an annual percentage of dollars invested; FMFs as at Dec. 31, 2020. Returns reported will be net of fees and taxes.

The FMFs displayed in this document do not include applicable sales tax. However, these taxes are charged to your account. FMFs include, but are not limited to investment management fees, fund operating expenses and charges for administration and services.

## Deposit Insurance Coverage

All deposits to GIAs from Sun Life Assurance (SLA) are eligible for insurance through Assuris. Assuris insurance coverage for registered assets is aggregated, and coverage for all the assets held in trust/non-registered is aggregated.

Assuris does not permit the disclosure of their exact coverage amounts; however this information is available on the Assuris website at [www.assuris.ca](http://www.assuris.ca).

# Plan information

## Payment schedule

The Simon Fraser University Group group LIF/RRIF Program offers flexibility in the frequency, order of depletion (use of investments for payments) and deposit options for income payments:

Frequency	Monthly, Quarterly, Semi-annually or Annually
Date	1 <sup>st</sup> , 15 <sup>th</sup> or last business day of the month.
Level	You can specify the amount that you want to be paid.*
Indexed	You can specify the rate at which your payments will be indexed each year.*
Interest	You will be paid the interest earned on your guaranteed funds since your last payment date. Any difference required to meet the minimum will be paid from the principal.
Minimum	You will be paid the minimum amount set by the Income Tax Act. The minimum amount can be based on your age, or your spouse's age.**
Maximum	For LIF, Locked-in Retirement Income Fund (LRIF) or Restricted Life Income Fund (RLIF) only, you can choose to take the maximum allowable amount set by pension regulations.***

\* Any payment amount selected is subject to a statutory minimum. As well, there is a statutory maximum for LIF, LRIF and RLIF.

\*\* Minimum amount based on your spouse's age is not available for any pension assets that originated in New Brunswick.

\*\*\* LRIF is only available for pension assets that originated in Manitoba and Newfoundland, RLIF is only available for assets that originated in a pension under federal jurisdiction.

## Payment options

Payments must fall within the permitted minimum and maximum limits established by law. Sun Life retirement consultants can assist in determining the appropriate level of income payments, within legislated limits. The level of payments selected will take effect on the date the group LIF/RRIF is established with Sun Life. Payment frequency can be made on a monthly, quarterly, semi-annual or annual basis.

Payments may be made by Electronic Funds Transfer (EFT) directly to a Canadian bank account, or via cheque.

## For non-resident Canadians

Non-resident Canadians are eligible to join, however an attorney acting under a Power of Attorney (POA), who is a resident of Canada, is required for non-resident Canadians to enrol in the plan. The POA is for one-time limited use only, to enrol into the Simon Fraser University Group group LIF/RRIF Program. The process is simple and does not require a notary or lawyer signature.

If you are a non-resident and wish to grant a third-party access to your account for information or transactional purposes, you must complete the Transaction Authorization and Access to Personal Information form, available through a retirement consultant.

Non-resident Canadians may also receive payments at the frequencies and through the methods noted above. A Canadian bank account is required to receive payment by EFT.

## Investment funds used for payments

Investments must be sold to create the cash for the payments you receive. You may deplete your investment funds in a specified order, according to specified percentages or evenly across all funds – you choose!

## Additional payments to you

Need additional funds? You can request a lump sum payment at any time, at no extra charge, subject to the maximums set out in the LIF and withholding tax.

## Tax withheld

You can request that tax be withheld on a withdrawal from your group LIF/RRIF over and above the required amount. The full amount that you withdraw, including additional lump-sum payments, must be included as income for the year and will be subject to taxation. Income Tax regulations require that tax be withheld from your payment if it exceeds the required minimum amount. You will receive a tax slip at the beginning of each year that shows the amount that you were paid in the previous year. You can also view your tax slips online when you sign in to [mysunlife.ca](https://mysunlife.ca) and go to *my financial centre > requests > tax slips and RRSP info*. Please note – tax implications for non-residents differ from those that apply to Canadian residents; please consult a tax expert for guidance on non-resident tax matters.

## Fees

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. Fees will be taken out of investment returns prior to your account being updated to the latest market value.

Withdrawal fees: There is a \$25 fee for any partial withdrawal from your plan made outside of your established payment schedule.

Members of the Simon Fraser University Group group LIF/RRIF Program will find more details on fees by signing in to [mysunlife.ca](https://mysunlife.ca) and under *Investments going to my financial centre > accounts > account fees*.

## Market Value Adjustment (MVA)

When a deposit to a guaranteed interest account (GIA) is withdrawn prior to maturity, for any reason other than death or disability, the withdrawal will be calculated at market value (MV). If interest rates have changed since the time of the original deposit, the withdrawal amount will be adjusted to reflect the deposit's market value. This change is referred to as a market value adjustment (MVA).

To determine the market value (MV) of the deposit payable, the following process is employed. The value of the deposit, plus compound interest, would be projected to the original maturity date using the original guaranteed interest rate. This value would then be discounted back to the date of the withdrawal using the then current market rate (without adjustment) on a GIA deposit of the same term as the original deposit.

Regular payments determined by your payment schedule will not be subject to MVA. However, lump sum payments and/or withdrawals from a GIA prior to maturity may be.

## Leaving the Simon Fraser University Group group LIF/RRIF Program

You have several options if you wish to transfer out of the plan. You can:

- transfer to another RRIF, LIF, LRIF, PRIF or RLIF (where permitted by pension legislation)
- convert to an annuity with Sun Life or another provider
- receive a lump-sum cash payment for non-locked-in funds (withholding taxes may apply)

## Benefits paid upon your death

In the event of your death while you are still a plan member, your RIF assets will be paid to your designated beneficiary as a lump-sum cash payment or to your estate if no beneficiary has been designated.

If you have a LIF, pension legislation may require that your spouse or common-law partner be entitled to the death benefit, regardless of your designated beneficiary.

If your spouse or common-law partner, dependent child or grandchild is entitled to the death benefit, he/she will also have the option to transfer this benefit to him/herself on a tax-deferred basis.

---

# Access your plan

Once you have enrolled in the Simon Fraser University Group group LIF/RRIF Program you will receive a welcome letter that includes your account number and instructions on how to get your access ID and password registered to sign in to **mysunlife.ca**.

## Phone

Plan information and guidance – 1-866-224-3906 (select option 1), 8 a.m. – 8 p.m. ET

## Online

You'll find helpful information, additional products and services and tools to manage your account at **mysunlife.ca**. If you don't have an access ID and password, go to **mysunlife.ca** and click on the "Register now" link. You'll need your plan member account number and your date of birth. Your account number is located in the welcome letter.

## Mobile app

The my Sun Life Mobile app makes it possible to access your account on the go, and:

1. Check your balances
2. View your most recent plan activity
3. Try some financial planning tools

The **my Sun Life Mobile app** is available free of charge to plan members through Apple App Store and Google Play. To learn more, visit **sunlife.ca/mobile**.

Tablet and laptop users can continue to access the full website experience at **mysunlife.ca**.

# Appendix

## 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*. A similar tool is available online at [mysunlife.ca](http://mysunlife.ca).
  - 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's *Retirement planner* at [mysunlife.ca](http://mysunlife.ca) (sign into your account to access the tool).

## 3. Consider working with a Sun Life retirement consultant or Financial 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 8 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.



# 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:		
<b>Basic expenses</b>		
<b>Accommodations</b>	<b>Current Monthly</b>	<b>Retirement Monthly</b>
Mortgage/rent:	\$	\$
Utilities (heat, electricity):	\$	\$
Property taxes:	\$	\$
Phone/cable/internet:	\$	\$
Maintenance repairs:	\$	\$
Insurance (home):	\$	\$
<b>Living expenses</b>	<b>Current Monthly</b>	<b>Retirement Monthly</b>
Groceries:	\$	\$
Clothing:	\$	\$
Dependent/family care:	\$	\$
Personal care (Hairstylist, etc.):	\$	\$
Emergency funds:	\$	\$
<b>Health</b>	<b>Current Monthly</b>	<b>Retirement Monthly</b>
Insurance (life and health):	\$	\$
Prescriptions:	\$	\$
Dentist/Chiropractor/Optometrlist/etc.:	\$	\$
<b>Transportation</b>	<b>Current Monthly</b>	<b>Retirement Monthly</b>
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		
	Current Monthly	Retirement Monthly
Other/emergency/debt		
	\$	\$
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			
<b>Total annual guaranteed income</b>			

	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			
<b>Total lump sum savings</b>			



---

## Disclaimer

This material is intended as a general guideline for retirement income planning purposes, and is current as of publication date (June 2021). 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.



**Life's brighter under the sun**

