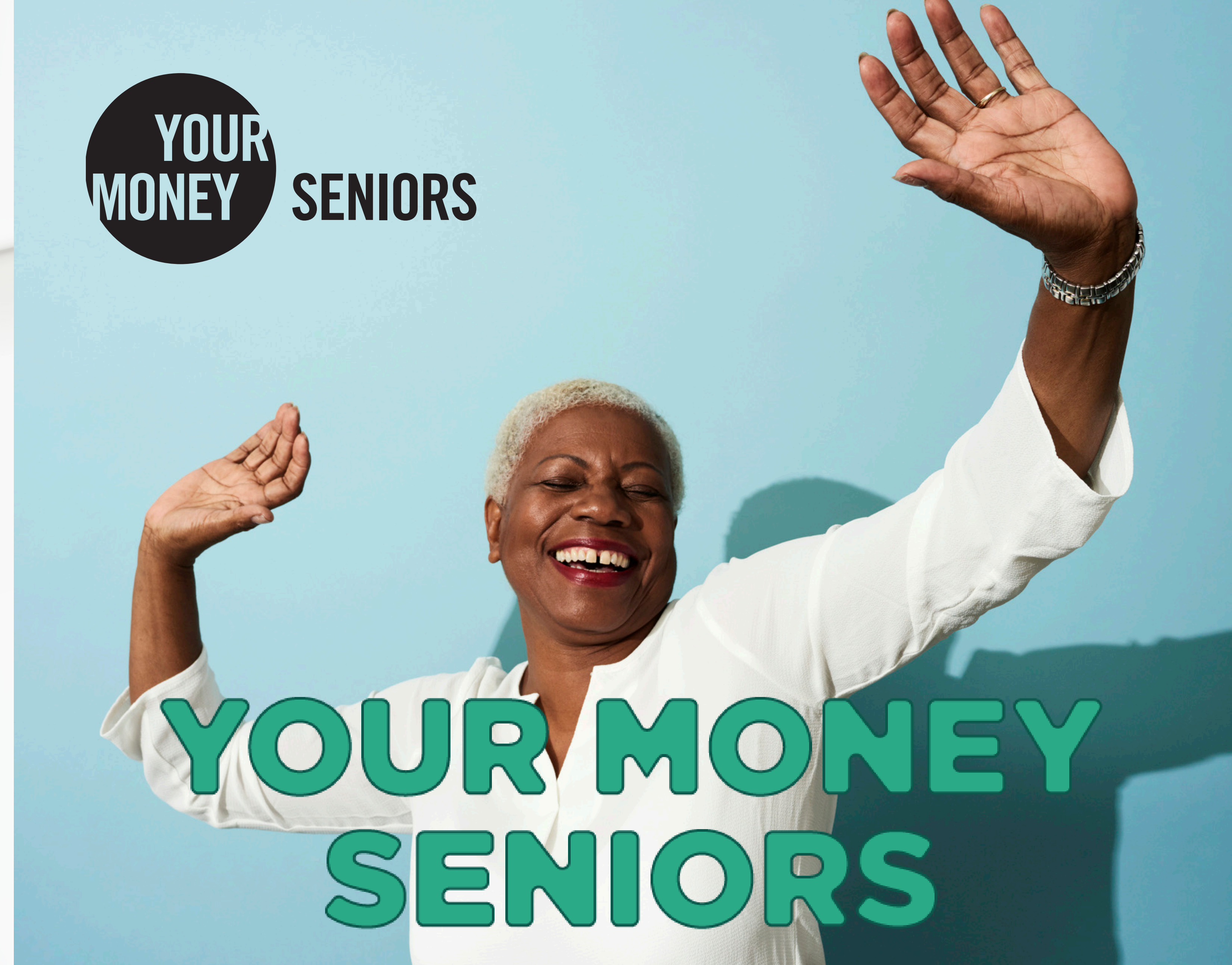
Cash Management

Your money in retirement



Want more information about your retirement benefits?

Go to servicecanada.gc.ca
Or call toll-free: **1.800.277.9914**
TTY: **1.800.255.4786**

Need help with debt? Visit this website representing not-for-profit credit counselling agencies:

Credit Counselling Canada
creditcounsellingcanada.ca

CANADIAN BANKERS ASSOCIATION

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Your money in retirement

WHERE WILL THE MONEY COME FROM?

You've been saving for years - now it's time to turn your savings into retirement income. Here are two ways to do it:

RRIFs

Registered retirement income funds act like RRSPs in reverse. Before, you were putting money into your RRSP as savings. If you have been saving your money in an RRSP, you can either cash it in, transfer it to a RRIF or buy an annuity. But, you have to this by December 31 of the year you turn 71. After you retire, you withdraw money from your RRIF for income. Once a RRIF is established, there can be no more contributions made to the plan, nor can the plan be terminated except through death. A few things to know about RRIFs:

4 Facts about RRIFs

- You choose the types of investments to hold in an RRIF.
- You pay tax when you take money out of your RRIF for income.
- If there is any money left in your RRIF when you die, it will go to loved ones or to your estate.
- You must withdraw a minimum amount from your RRIF each year, but there is no maximum amount you can take out each year.

Annuities

An annuity is a kind of insurance. When you buy an annuity, you pay money up front and an insurance company provides you with consistent monthly income for years. You don't have to worry about how your investment performs - you'll still get the same amount every month no matter what the stock market is doing.

People buy annuities for:

- Steady income:
  No matter what happens, you'll get the same amount of money every month.
- A good night's sleep:
  You won't have to worry about the stock market because, no matter what, you'll get your monthly payment.
- Estate planning:
  Depending on what type of annuity you choose, your beneficiaries will get whatever is left of your savings when you die.

7 tips for managing debt

1. Make bigger payments
2. Pay off most expensive debt first
3. Consider consolidating debt
4. Talk to your bank early
5. Discuss your repayment options with your lender
6. Find extra money by finding ways to limit spending
7. Consider talking to a credit counsellor

A leaky roof, a car accident, a health crisis - these are only a few of the curve balls life can throw at you, and they can affect us financially if we're not prepared. How would you manage it?

Planning for the unexpected is key to managing your finances in retirement. Here are four ways to prepare for the unexpected:

1. Save - and save smartly
2. Do your paperwork
3. Make a plan
4. Consider insurance

3 places to look for extra income in retirement

Public retirement benefits

Old Age Security (OAS), the Guaranteed Income Supplement (GIS), Canada Pension Plan (CPP). Note: you can't get the benefits if you don't apply.

Go to **servicecanada.ca** or **1.800.622.6232** for more information.

Your home

Rent out part of it, borrowing against your equity, or sell it.

A part-time job

Did you know that 1 in 5 Canadians aged 65 or older return to work at some point during the year? Keep in mind, however, that earning more than a certain amount could reduce some of your benefits. Or, you could also use your working income to delay payments of OAS and CPP until you are 70 and receive more.

Find out more through the Financial Consumer Agency of Canada at **bit.ly/SGj9XP**