



Where will your retirement income come from?

Your retirement income may be derived from several different sources: the government, your workplace pension plan(s), your Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs) and other savings.

Not everyone will get income from all these sources. If you've never worked, for instance, then you won't be entitled to Canada/Quebec Pension Plan (CPP/QPP) benefits.

Here's a brief rundown on what you can expect from the most common sources of retirement income.

GOVERNMENT SOURCES

The Canada/Quebec Pension Plan (CPP/QPP) provides benefits to Canadians who have worked and paid into the plans. How much you can expect to collect

depends on your level of contributions over the years. Generally, you'll get about 25 per cent of your average earnings over the course of your working life up to a set maximum.

Old Age Security (OAS) is a basic benefit to which all Canadian citizens aged 65 and older are entitled. If your net individual income is above a set threshold, your OAS pension may be reduced ("clawed back") or eliminated.

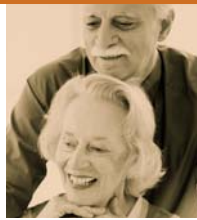
The Guaranteed Income Supplement (GIS) is an additional benefit for low-income OAS pensioners.

YOUR WORKPLACE PENSION PLAN

You may have worked for a company that provided a pension plan. Most fall into one of two categories: defined benefit (DB) plans and defined contribution (DC) plans.

A DB plan offers you a specific benefit for a particular amount determined by a formula. A DC plan defines





your contributions to the plan, but not your benefits. At retirement, you have the option to purchase a life annuity or other registered retirement vehicle.

RRSPS, RRIFs AND PERSONAL SAVINGS

Hopefully, you have also managed to save some money in an RRSP. At some point in time, you'll convert your RRSP to a RRIF (Registered Retirement Income Fund) and begin drawing money out of it according to a prescribed schedule.

CONTINUED EMPLOYMENT INCOME

Then again, you might not even really retire after you retire – you might find a new opportunity and continue to earn employment income. Retirement today is not what it was a generation ago; there has been a shift in attitudes. Rather than rocking on the front porch and watching the grass grow, retired people are likely to turn their energies to pursuits they've always loved, but didn't have time for while working. You may decide to teach, consult, start a small business, volunteer or travel.

Whatever you think you might like to do in retirement, make sure you've planned accordingly so your savings will meet your needs.

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