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Converting Your Savings into Retirement Income

As you approach retirement, you will need to develop an income strategy that provides you with dependable income throughout your retirement. If you have savings within a Registered Retirement Savings Plan (RRSP), or Locked-in Retirement Account (LIRA) money that came from a workplace savings plan, you may want to consider these three retirement income solutions from Equitable®¹

RRSP/LIRA		
Option #1	Option #2	Option #3
<p>Registered Retirement Income Fund (RRIF)/Life Income Fund (LIF)</p> <p>Guaranteed Investment Funds (GIF) Segregated Funds or Guaranteed Interest Account</p>	<p>Payout Annuity</p> <p>Life Annuity Joint Life Annuity Term Certain to Age 90</p>	<p>RRIF/LIF and Payout Annuity</p>
<p>Provides maximum flexibility.</p> <ul style="list-style-type: none"> You can decide the amount you want to withdraw each year based on your income needs². When you die, the death benefit of the contract is paid directly to your beneficiaries, avoiding fees and bypassing probate. 	<p>Provides you with maximum guaranteed lifetime income.</p> <ul style="list-style-type: none"> You receive guaranteed lifetime income, and never need to worry about outliving your savings. You can protect a portion of your principal investment by choosing a guarantee period between 5 – 30 years. If you die before the end of the guarantee period, your income payments will continue to your beneficiary⁴ for the remainder of the guarantee period. You can choose to index your payments up to 2% on an annual basis to help offset inflation. 	<p>Provides flexibility and guaranteed lifetime income!</p> <ul style="list-style-type: none"> You receive guaranteed lifetime income, with the option of indexing your payments and selecting a guarantee period³. You have the flexibility to increase or decrease your income based on your income needs². When you die, the death benefit of your RRIF/LIF is paid directly to your beneficiaries, avoiding fees and bypassing probate.

¹These options are not intended to be an exhaustive list of retirement income options available to you.

²Subject to the minimum and maximum payment amount.

³The maximum guarantee period will depend on your age and the registration of the funds.

⁴Income payments will continue if the beneficiary is a spouse. All other beneficiaries will receive a lump sum payment.

Case Study

Drew, aged 65, is ready to convert his \$200,000 of registered savings into retirement income. The chart below illustrates the pre-tax annual income payment for each of the three retirement income options.

	Option 1	Option 2	Option 3				
	RRIF/LIF \$200,000	Life Annuity \$200,000	RRIF/LIF \$100,000	+	Life Annuity \$100,000	=	200,000
Annual income							
Age							
68 - 89	12,400	12,400	6,320	+	6,080	=	12,400
89	12,400	12,400	5,786	+	6,080	=	11,866
90	9,524	12,400	0	+	6,080	=	6,080
91 - 95	0	12,400	0	+	6,080	=	6,080
<i>Subtotal</i>	31,654	396,800	163,785	+	194,560	=	358,345
Total Payments Age 65 - 95	\$331,654	\$396,800	\$358,345				
Death benefit payable to beneficiaries							
Age at death							
80	\$108,202	\$0	\$51,662				
85	\$63,482	\$0	\$28,114				
90	\$9,075	\$0	\$0				

Case study illustration: Single life annuity based on a male age 65 with a 5-year guarantee, and a 4% rate of return on segregated funds. For illustration purposes only; actual results will vary.

Before making a decision about your retirement income, keep in mind that:

- **With a RRIF/LIF contract**, your income is not guaranteed, and you could outlive your savings.
- **With a Life Annuity contract**, if you die after your guarantee period, there is no death benefit for your beneficiaries. This could mean the cumulative income payments could be less than what was originally invested.
- **With all retirement income options**, it is important to calculate your current and future income needs, as well as the death benefit that you'd like to pass on to your spouse or beneficiaries after your death. Factors such as your health and life expectancy, as well as your ability to select investments now and in the future should be considered in your decision making process.

Speak to your advisor to learn more about the retirement income options that may be suitable for your financial plan.