



Retirement planning guide

A guided path to help you on your retirement journey

Do you know how much money you need to retire?

We understand that planning for retirement can be a challenge. With support from licensed retirement consultants¹, you'll always have a way forward. We'll show you how to start the journey in three easy steps and answer some common questions along the way.

01.

Set your retirement income goal.

Set your personal retirement income goal with a retirement consultant,¹ or on your own using our online tools.

02.

Figure out how ready you are for retirement.

Get ongoing support to assess if you're on track to reach your goal, monitor your progress along the way and make recommendations to help you stay on track.

03.

Create a Retirement Income Roadmap.

Work with a retirement consultant¹ to design your personal Retirement Income Roadmap, which provides an overview of how your income will work for you in retirement.

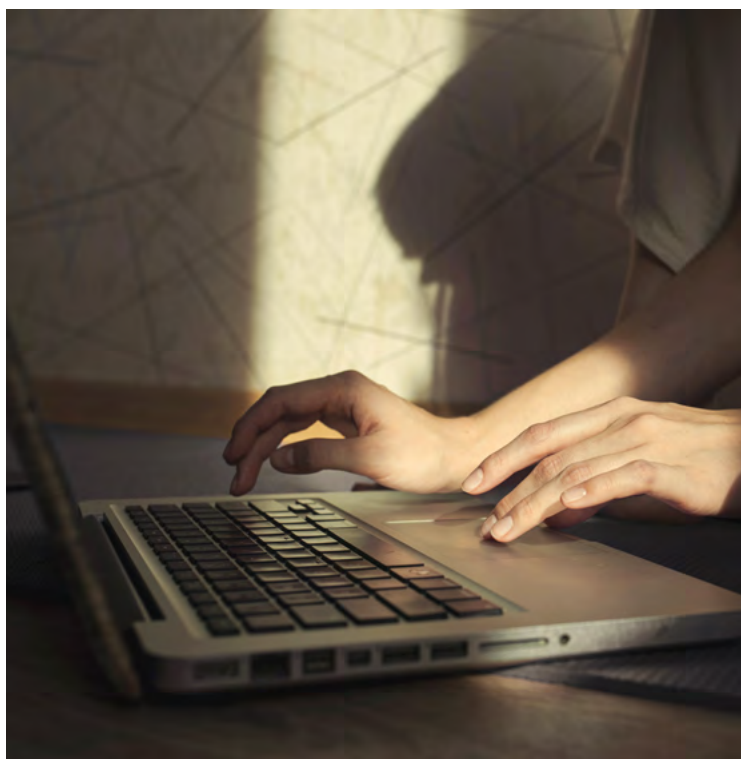
We're here to help on each step of your retirement journey

Call **1-866-224-3906**, Option 1
Monday to Friday, 8 a.m. to 8 p.m. ET



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¹ Retirement consultants based out of Quebec are registered as financial security advisors (this applies to all uses of the term retirement consultant in this brochure).

STEP 1

Defining your retirement income goal

Let's start by figuring out how much income you'll need for your retirement. This is important because you need to plan for the lifestyle you want to live during retirement.

How much do you need?

When you are further from retirement, using 50% to 70% of your pre-retirement income as a guide might be helpful. However, as you get closer to retirement, it is important that your goal be customized to your lifestyle and needs.




Find out if you have enough money today and for the retirement you want, using the Budget calculator on mysunlife.ca. Find the tool by signing in to your account and selecting **Manage plan** ▶ **Tools** ▶ **Tools & calculators** ▶ **Budget calculator**.

What retirement lifestyle do you want to live?

Before determining your income goal, think about what you want to do in retirement.

- **What's important to you?** Think about your needs, wants and dreams to help you define what retirement means to you.
- **What will you do in retirement?** Retirement often means spending more time doing the things you already enjoy: Travel, sports, gardening, volunteering, hobbies, family time. You might also decide to continue working part time, doing something you love. Think about the financial costs that go along with how you plan to spend your time.
- **How will your financial priorities change throughout retirement?** Some costs will stay the same in retirement, while others will increase or decrease. Think about the categories in the table below and how they'll change based on your retirement lifestyle.

How expenses may change as you approach/transition into retirement

Stay the same 	Decrease 	Increase 
Basic living Food, clothing, shelter and anything that's non-negotiable for you.	Saving for retirement You're turning savings into retirement income.	Lifestyle Things you want to do that aren't basic living expenses, such as travel, donations, winter home.
Protection Insurance solutions to protect your income, health and family.	Taxes You're generally paying less tax because your income is lower.	Health Health expenses that could emerge as you age.
	Work-related costs You'll no longer be commuting, buying lunch or "work" clothes, or paying for dry cleaning.	

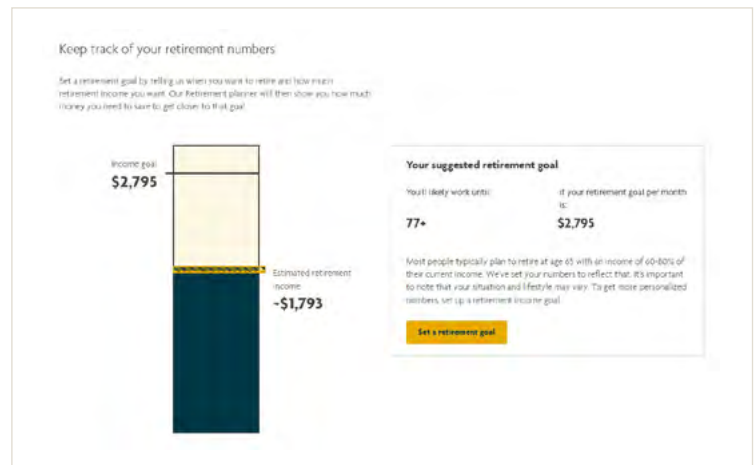
How do you set your goal?

Once you've thought about the retirement lifestyle you want to live, you have options on how to set your retirement income goal:

Create a goal on your own	If you prefer to complete this step yourself, you can use the Retirement planner on mysunlife.ca . Find the tool by signing in to your account and selecting Manage plan ▶ Tools ▶ Retirement planner .
Work with a retirement consultant	If you are within 5 years of retirement, you have the support of a Sun Life retirement consultant, who can help you create your goal. A licensed retirement consultant can guide you through the goal-setting process and make sure you're creating a realistic goal based on your plans for retirement. Work with a consultant today by calling 1-866-224-3906 , Option 1, 8 a.m. to 8 p.m. ET, Monday to Friday.

How do you track your progress?

With Sun Life One Plan, you can simplify decisions for life's big and small moments. Create a personalized financial assessment **on your own or with a Sun Life licensed financial services consultant** and unlock a lifetime of possibilities by planning for your financial needs and protecting your future.



A word about debt

Retiring with debt may have a big impact on your income needs. While you should aim to pay off your debts before retirement, you will need to factor debt repayments into your retirement income goal if you cannot.

STEP 2

Assessing your retirement readiness

The next step is assessing how ready you are for retirement. This involves more than just making sure you have enough money. It's also about learning and making decisions during your working years to help you prepare for retirement.

Where will your retirement income come from?

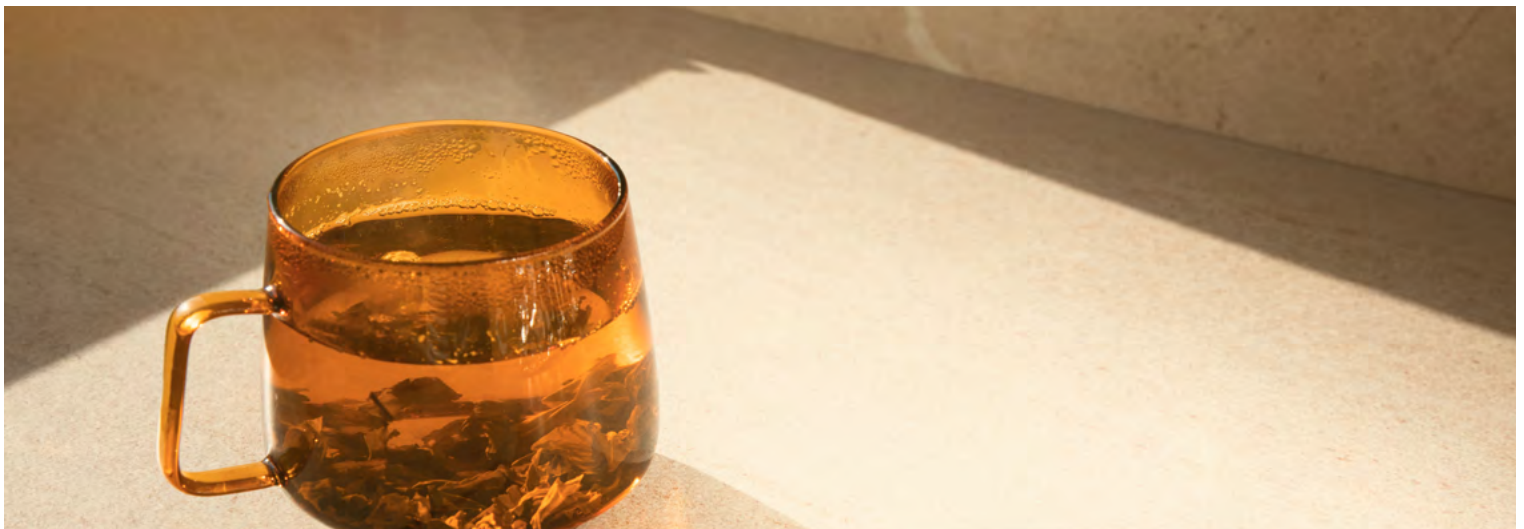
In Canada, you typically have **three sources** of retirement income.

- **Workplace savings plans** – money you and your employer have contributed to a workplace-sponsored plan. You may also have past employer plans to consider.
- **Personal savings** – money you have in personal accounts outside of Sun Life. This might include bank accounts, RRSPs and TFSAs, or income from part-time work.
- **Government programs** – money from government-sponsored programs that provide a basic level of retirement income.

What government programs are available?

There are three government programs available to Canadians:

Canada Pension Plan (CPP) Quebec Pension Plan (QPP)	Old Age Security (OAS)	Guaranteed Income Supplement (GIS)
<p>What is it? A pension paid for life to anyone who made at least one valid contribution during their working years.</p> <p>How do payments work? You receive a monthly pension payment based on how much you contributed during your working years. You qualify for your full pension at age 65. You can take a reduced pension as early as age 60 or delay payments as late as age 70 to receive a higher monthly amount. Payments are taxable.</p> <p>When should you apply? Apply at least six months before you want to start receiving payments.</p> <p>Where can you learn more? CPP & OAS: www.canada.ca/en/services/benefits/publicpensions.html</p>	<p>What is it? A benefit paid for life to anyone age 65 or older who has lived in Canada for at least 10 years from when they were 18 years old.</p> <p>How do payments work? Your monthly benefit amount depends on how long you've lived in Canada. Some or all of your monthly payment may be subject to a 'clawback', if your annual taxable income is above a specified threshold. You can delay payments as late as age 70 to receive a higher monthly amount. Payments are taxable.</p>	<p>What is it? A supplemental benefit for lower-income seniors, age 65 or older.</p> <p>How do payments work? Your monthly benefit amount varies based on your income. You must be receiving OAS payments and your total annual income must be below a certain threshold to qualify. Payments are not taxable.</p> <p>Where can you learn more? QPP: www.rrq.gouv.qc.ca</p>



What risks do you need to consider?

There are four major risks to address, both during your saving years and during retirement. A qualified professional, like a Sun Life retirement consultant, can help ensure you're taking the right steps to deal with each one.



Inflation risk

What is it? The impact of cost increases on what your savings can buy you in the future.

How to manage it? Choose a mix of investments you expect to provide a long-term rate of return higher than the expected rate of inflation.

Market risk

What is it? The impact of investment market movements on the value of your retirement savings.

How to manage it? Adjust your investment mix based on how close you are to needing your money. Consider guaranteed income solutions during retirement.

Health risk

What is it? The impact of unexpected health events on your income and savings.

How to manage it? Put the right protection solutions in place, including health and dental, critical illness, and long-term care insurance.

Longevity risk

What is it? The danger of running out of money because of how long you live.

How to manage it? Consider guaranteed income solutions, like annuities. These provide a fixed amount of income for as long as you live.

What about investment management fees?

All professionally managed investment funds have fees. It's important to know what fees you're paying and save on fees if you can. Paying lower fees means keeping more of your money invested in your account. This can have a significant impact on how much you'll have for retirement.

Saving 1% a year in fees over 30 years could mean over \$45,000 more for retirement!

Assumptions: You save \$4,000 on January 1 each year, for 30 years, earn a 5.75% gross rate of return and pay your fees at year-end.



Registered retirement savings after 30 years

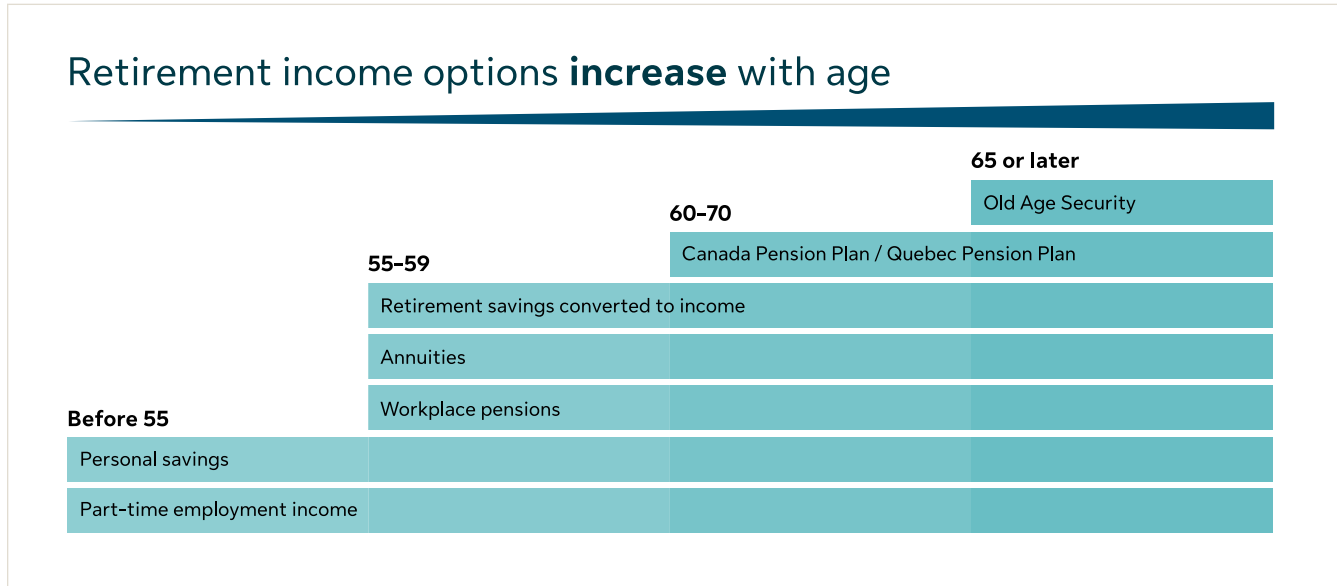
STEP 3

Designing your Retirement Income Roadmap

The final step of your retirement journey involves putting your plan into action. A licensed Sun Life retirement consultant can guide you using a personalized Retirement Income Roadmap. This includes income and investment recommendations.

When do you plan to retire?

Your planned retirement age determines your retirement income options. In general, the later you plan to retire, the more options you'll have available for retirement income.



The relevance of turning 71 and your retirement saving

Federal income tax rules say that you have to move your savings out of registered savings plans, including pension plans, RRSPs and LIRAs, into a retirement income product by the end of the calendar year in which you turn 71. You can delay your first income payment until the end of the following year.

You can consider waiting to convert your RRSPs until age 71. You'll give yourself retirement income flexibility and tax-deferred savings growth, since you can make withdrawals from non-locked-in RRSPs any time, without any minimum or maximum restrictions.



How do you turn your retirement savings into income?

Savings plan	Retirement income option
RRSP DCPP – Voluntary	<p>Registered Retirement Income Fund (RRIF)</p> <p>A RRIF is like a continuation of your RRSP, but instead of contributing to your savings you withdraw money as retirement income.</p> <ul style="list-style-type: none"> Your savings are tax-deferred until withdrawn. You make all investment decisions. There is a minimum amount you must withdraw each year, based on your age. There is no withdrawal maximum. Unscheduled lump-sum withdrawals from the Sun Life Plan can be made outside of your traditional payment schedule.
DCPP LIRA	<p>Life Income Fund (LIF)¹</p> <p>A LIF is an account much like a RRIF, but for locked-in savings.</p> <ul style="list-style-type: none"> Your savings are tax-deferred until withdrawn. You make all investment decisions. You must withdraw a certain amount each year, based on your age, but you can choose how much, between the minimum and maximum. Unscheduled lump-sum withdrawals from the Sun Life Plan can be made up to the maximum (where applicable in a LIF), outside of your traditional payment schedule.
RRSP DCPP TFSA NREG	<p>Annuity</p> <p>An Annuity is a contract from a life insurance company, where you make a lump-sum payment up front and receive a fixed payment for the rest of your life.</p> <ul style="list-style-type: none"> For a cost, you can add enhancements like inflation protection, a guaranteed payment period, and survivor benefits. The life insurance company makes all investment decisions. Annuities bought with locked-in savings must follow the pension laws in your province or territory.
DBPP	<p>Monthly pension payment</p> <p>A Defined Benefit Pension Plan (DBPP) provides a fixed monthly payment from your previous employer(s) based on a pre-determined formula defined by the plan. You may have the option of taking a one-time taxable cash payout instead of receiving monthly payments.</p>
RRSP TFSA NREG	<p>Cash</p> <p>May savings products allow cash withdrawals without converting your savings into income. In some cases, there are tax implications when making a cash withdrawal.</p>
Legend	<p>DBPP Defined Benefit Pension Plan</p> <p>DCPP Defined Contribution Pension Plan</p> <p>NREG Non-Registered Savings Plan</p> <p>TFSA Tax-Free Savings Account</p> <p>RRSP Registered Retirement Savings Plan</p> <p>LIRA Locked-in Retirement Account</p>

¹ Depending on the pension legislation governing your locked-in savings, you may have to use one of the following products instead of a LIF: Locked-In Retirement Income Fund (LRIF), Prescribed Retirement Income Fund (PRIF), or Restricted Life Income Fund (RLIF). Speak with a retirement consultant or financial professional for more information.



A note about taxes

Most retirement income sources are taxable. If you draw too much income, it may affect your Old Age Security payments. Talk to a retirement consultant about income splitting with a spouse, and about tax-efficient, non-registered income sources.

What to consider when choosing among income options

For registered savings, like DCPs and RRSPs, your retirement income decision generally comes down to a choice between a registered income solution, like a RRIF or LIF, an annuity, or a combination of both. The product or combination is an important decision.

Consideration	RRIF/LIF	Annuity
Income options	Flexible. You can take income as needed (subject to annual minimums/maximums).	Payments are a set amount each month or year. The purchase of an annuity is irreversible.
Longevity risk	You could outlive your money.	Your payments are guaranteed for life, which means you'll never outlive your money
Market risk	Since you make all investment decisions, you benefit from gains and assume the risk of potential losses.	The life insurance company makes all investment decisions and assumes all the risk.
Inflation risk	You assume the risk of ensuring you earn at least as much as inflation each year.	You can choose to have your payments indexed to inflation.
Death benefit	Payments can continue to your spouse in the event of your death. You may be able to leave your remaining savings to your estate or beneficiary.	Joint annuities allow you to guarantee financial security and lifetime income to a spouse. You may also choose a guaranteed payment period. Otherwise, you leave nothing for your estate.

How do you bring it all together?

The best way to decide on the right income solutions for you is to work with a qualified professional, like a Sun Life retirement consultant. Your dedicated consultant looks at your entire financial picture when creating your **Retirement Income Roadmap**, so you have a detailed plan in place. You'll also get a copy of the document, which lets you review the recommendations and income projections as you get later in retirement.

Taking action for your future

We've covered a lot of information. It's best to take it one step at a time and know that you're not alone in your retirement journey. Support is always available to help guide you through the process.

Contact a retirement consultant

As a licensed specialist (salary-based with a performance bonus) on retirement and the Sun Life Plan, your dedicated retirement consultant can:

- Answer any questions you have about retirement.
- Work with you to create a personalized Retirement Income Roadmap.
- Explain retirement income and insurance solutions, and help you complete any forms.
- Consolidate your savings to help simplify your retirement income streams.
- Put you in touch with a Sun Life advisor in your area for more in-depth needs, like estate and tax planning.

Online tools to help you plan

If you prefer taking a self-serve approach, you can access online planning tools through mysunlife.ca:

- The **Retirement planner** shows you how much monthly retirement income you're on track to have.
- The **Asset allocation tool** helps you choose the right investment mix based on your financial goals and risk tolerance.
- The **Registered Retirement Income Fund (RRIF)** calculator shows you how much income you can expect from your RRIF.

To find these tools, sign in to mysunlife.ca using your sign-in/access ID and password and select **Manage plan ▶ Tools ▶ Tools & calculators**.

We're here to help on each step of your retirement journey

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Sun Life Group Choices Plan

When you leave your workplace registered retirement savings plan, whether that's for a job change or retirement, you'll have access to the Group Choices savings plan and Retirement Income Plan. Both are exclusive options for those leaving a workplace plan administered by Sun Life. They offer:

Ongoing guidance and support

With support from Sun Life retirement consultants, you'll enjoy expert advice over the phone or online.

One spot for all your savings and income plans – for you and your spouse

Combine savings you have elsewhere into the Sun Life Plan, and see your whole retirement income picture in one spot. You may also save on investment fees. The Sun Life Plan is available for both you and your spouse.

Convenient ways to look after your account

Continue accessing your account through mysunlife.ca and the **my Sun Life mobile app**. You can even continue using your same Sun Life sign-in ID and password.

Similar segregated funds to what you have today

Choose from high quality funds similar to those in your Sun Life Group Plan, and new segregated and guaranteed funds designed with the needs of retirees in mind. You'll have the flexibility to invest in a way that works for you.

Competitive investment fees

Keep more of your savings invested and growing, with competitive investment fees similar to what you have enjoyed in your Sun Life Group Plan.



Retirement planning worksheets

Monthly expenses worksheet

What will my expenses be at retirement? Fill this out by adjusting your current expenses to reflect the changes inherent to retirement (inflation, 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.

Monthly expenses	Current	Retirement	Additional notes
Accommodation			Current age
Mortgage / Rent	\$	\$	Planned retirement age
Utilities (heat, electricity)	\$	\$	Estimated inflation rate %
Property taxes	\$	\$	
Phone / Cable / Internet	\$	\$	
Maintenance repairs	\$	\$	
Insurance (home)	\$	\$	
Living expenses			
Groceries	\$	\$	
Clothing	\$	\$	◀ Clothing costs may decrease as your emphasis shifts from business attire to casual wear.
Dependent / Family care	\$	\$	
Personal care (hairstylist, etc.)	\$	\$	
Health			
Insurance (life and health)	\$	\$	◀ Check to see whether the health benefits you received from your last employer will continue to you and a non-working spouse in retirement.
Prescriptions	\$	\$	
Dentist / Chiropractor / Optometrist / etc.	\$	\$	
Transportation			
Car payment / Lease	\$	\$	◀ If you own two vehicles, consider whether you'll continue to need both in retirement.
Car insurance / Registration	\$	\$	
Fuel / Maintenance	\$	\$	
Public transportation	\$	\$	
Other			
Emergency funds	\$	\$	◀ An emergency fund can cover unexpected and occasional expenses.
Discretionary expenses			
Dining out	\$	\$	
Movies / Theatre	\$	\$	
Newspapers / Magazines / Books	\$	\$	
Sports / Hobbies	\$	\$	◀ Budget for travel, hobbies, and other leisure activities if they'll be an important part of your retirement lifestyle.
Travel / Vacation	\$	\$	
Further education	\$	\$	
Donations / Gifts	\$	\$	
Total	\$	\$	

Advisors are here to make it easier and help you with the financial component of the retirement plan.

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 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.

Annual guaranteed income	Self	Spouse		
Canada / Quebec pension plan	\$	\$		
Old Age Security	\$	\$		
Defined benefit pension	\$	\$		
Annuity payments	\$	\$		
Total	\$	\$	Combined total	\$

Lump sum savings	Self	Spouse		
RRSP(s)	\$	\$		
Defined contribution pension plan	\$	\$		
Deferred profit sharing plan	\$	\$		
Other registered plan (RRIF / LIF / LRIF)				
Non-registered savings	\$	\$		
Total	\$	\$	Combined total	\$

Disclaimer

The products mentioned in this brochure are not described in accordance with any specific legislation. You may have locked-in savings, and the respective legislative jurisdiction will be applied. Speak with a Sun Life Retirement Consultant for more details.

We present this material as a general guideline for retirement income planning purposes. It is current as of publication date June 2024. Market conditions and other factors change over time. This will affect either positively or negatively one or more asset classes. The investment assumptions we've used are based upon historical investment returns. Past returns may not reflect future investment performance.

In order to identify an asset allocation model that's appropriate for your individual circumstances, consider contacting a retirement consultant or a qualified professional who is familiar with your personal financial circumstances and understands your tolerance for risk.

We've made every effort 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.

Our annuity promise

Upon your election, Sun Life Assurance Company of Canada promises to provide you with an annuity payable for your lifetime using the segregated fund and guaranteed fund account balances which you are entitled to under the terms of the Plan. Your annuity payments will depend on your account balance, your age at the date your annuity payments are scheduled to begin, the type of annuity you choose and annuity purchase rates in effect. Payments will be calculated using the greater of (a) the current payout annuity rate effective at the time of calculation, and (b) a rate specified in the Group Annuity Policy. Speak to a retirement consultant to find out how much you may receive.

Limitation period for legal actions

Every action or proceeding against an insurer for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the Insurance Act or the provincial or territorial legislation applicable to the action or proceeding.

Respecting your privacy

Respecting your privacy is a priority for the Sun Life group of companies. We keep in confidence personal information about you and the products and services you have with us to provide you with investment, retirement and insurance products and services to help you meet your lifetime financial objectives. To meet these objectives, we collect, use and disclose your personal information for purposes that include: underwriting; administration; claims adjudication; protecting against fraud, errors or misrepresentations; meeting legal, regulatory or contractual requirements; and we may tell you about other related products and services that we believe meet your changing needs. The only people who have access to your personal information are our employees, distribution partners such as advisors, and third-party service providers, along with our reinsurers. We will also provide access to anyone else you authorize. Sometimes, unless we are otherwise prohibited, these people may be in countries outside Canada, so your personal information may be subject to the laws of those countries. You can ask for the information in our files about you and, if necessary, ask us in writing to correct it. To find out more about our privacy practices, visit sunlife.ca/privacy.

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