

ANNUITIES, RRIFs AND LIFs AT A GLANCE



When it's time to convert your retirement savings into retirement income there are a few considerations to keep in mind. The table below can help you understand what retirement income products your savings (Money in) can be converted into and how you are able to receive income from these products (Money out) throughout your retirement.

Money in	Registered Retirement Income Fund (RRIF)	Money out
<ul style="list-style-type: none"> › From a registered retirement savings plan (RRSP) › From a registered pension plan (RPP) (non locked-in assets) › From a deferred profit sharing plan (DPSP) 	<ul style="list-style-type: none"> › Assets held in an account much like an RRSP › Tax-deferred › You make all investment decisions 	<ul style="list-style-type: none"> › Must withdraw a minimum % amount annually based on your age or your spouse's age › No maximum withdrawal limit › Withdrawals are taxable as income
<ul style="list-style-type: none"> › From a locked-in RRSP › From a locked-in retirement account (LIRA) › From a registered pension plan (RPP) (locked-in assets) 	<ul style="list-style-type: none"> › Life Income Fund (LIF)* › Assets held in an account much like an RRSP › Tax-deferred › You make all investment decisions › In most pension jurisdictions, a LIF may be held for life. In Newfoundland, it must be converted to a payout annuity at age 80 	<ul style="list-style-type: none"> › Like a RRIF, must withdraw a minimum % amount annually based on your age › There is a maximum withdrawal limit, which changes each year based on your age and a formula determined by the applicable pension legislation › Withdrawals are taxable as income
<ul style="list-style-type: none"> › 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)) 	<ul style="list-style-type: none"> › Payout Annuities › Purchased from a life insurance company for a lump-sum amount › 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 › For a cost, can add enhancements such as inflation protection, guaranteed number of years of payment, payments to a spouse after your death › Investment decisions are made by the life insurance company 	<ul style="list-style-type: none"> › Payments typically paid monthly and are generally guaranteed for life › If the source of the money is registered savings, (except TFSA) then payments are fully taxable as income › If annuity purchased with non-registered or TFSA savings, then only a portion of annuity payments are taxable

* There are additional retirement income options, similar to a LIF, depending on your pension jurisdiction. These include the Prescribed Retirement Income Fund (PRIF) and the Restricted Life Income Fund (RLIF). You may also be able to "unlock" locked-in funds under certain circumstances. For details, call one of our Retirement Consultants or speak to your advisor.

Speak to a Retirement Consultant¹ at **1-866-224-3906**,
any business day from 8 a.m. to 8 p.m. ET., or contact your advisor

What are RRIFs and LIFs?

A **LIF (Life Income Fund)**² is a plan that provides income from savings originating from a pension plan. You can select from a number of investment options and your money continues to remain invested with the potential to grow (depending on market conditions). It is tax-deferred as long as the money stays in the plan. There are minimum and maximum withdrawal limits in a LIF.

A **RRIF (Registered Retirement Income Fund)**² is similar to a LIF, and holds investments originating from a Registered Retirement Savings Plan (RRSP) or Deferred Profit Sharing Plan (DPSP). There are minimum withdrawal limits in a RRIF, but no maximums.

Benefits of a Sun Life RRIF/LIF may include:

- Many of the same, or similar, funds as you had in your workplace plan
- Over 100 diverse investment options to choose from
- Competitive fees for your investments
Lower management fees means more of your money stays invested. This can mean higher retirement income or your money lasting longer
- Bonus interest rates for larger account balances (for guaranteed funds)
- Online access to manage your account, 24 hours a day
- A simple, guided application process

What is an annuity?

An **annuity**² provides a guaranteed regular income for a lifetime or for a specified number of years, and is only available for purchase from a life insurance company.

The amount of income provided by an annuity is generally determined at the time of purchase, and will depend on:

- the amount of the initial deposit
- your age
- your gender
- the number of years for which the company promises to make payments
- whether or not the payments will be indexed to offset inflation

You decide how often you wish to receive payments, as well as whether you would like payments to continue to your spouse upon your death.

Benefits of an annuity with Sun Life may include:

- The potential to guarantee an income stream for life
- Protection from fluctuations in equity markets
- You will not need to make any investment decisions
- A simple, guided application process

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

¹ Registered as Financial Security Advisors in the province of Quebec.

² This document does not contain full product descriptions. For more information, call one of our Retirement Consultants or speak to your advisor.