



Reuter Insight

July 2013

More Advantages of Your Company Retirement Plan

Last month we described some of the many advantages of participation in your company retirement plan. There are additional reasons why your company retirement program continues to be a superior choice for your retirement savings. Some of these include:

1. Tax Efficiency

Your regular payroll contributions are taken from your gross pay before payroll taxes are calculated. This reduces the amount of income that is taxed. You only pay income tax on the remaining portion of your salary, enabling you to enjoy tax savings on each and every pay cheque throughout the year.

2. Power of Beneficiary Designation

Under the rules of the Uniform Life Insurance Act, a beneficiary may be appointed either in an application for insurance or a will. Your Group Plan is with an insurance company and therefore qualifies as an application for insurance.

Potential Creditor Protection

Therefore, if you have designated your spouse, child, grandchild or parent as beneficiary, your plan assets may be protected from creditors.

Elimination of Probate Fees

If you have named a specific individual(s) as beneficiary versus your estate or an organization, your group retirement plan assets are paid directly to the beneficiary in a timely manner. Further, they do not form part of the estate assets nor are they included in the determination of probate fees, thus reducing the costs involved in the estate settlement process.

We have recently received many questions regarding the probate fee process and will discuss this topic further in next month's newsletter.

To discuss these topics or your retirement planning, contact Reuter Benefits via telephone at 1-800-666-0142 or by email at retire@reuterbenefits.com.