



Reuter Benefits Group Plan Member Newsletter

September 2010

Sources of Retirement Income

Do you know what your sources of income will be during your retirement?

Retired Canadians receive income from the sources listed below. Note that you must apply to receive these benefits.

1. **Government Benefits**

Three types of Government Plans are available to qualified Canadians.

- ***Canada Pension Plan***

This benefit is based on the contributions that have been made by you throughout your working years. Benefits may commence as early as age 60 (on a reduced basis) subject to plan requirements. At age 65 or later, benefits may be received without reduction.

- ***Old Age Security***

Commencing at age 65, this benefit is paid to eligible Canadians based on residency requirements. Partial or full benefits are paid.

- ***Guaranteed Income Supplement***

Canadians who are receiving Old Age Security and who also meet low-income requirements, receive this benefit.

Only the Guaranteed Income Supplement is paid on a non-taxable basis.

2. **Employer Sponsored Retirement Savings Plans**

As a member of a Defined Contribution Retirement Savings Plan(s), the amount of income available to you in retirement is not defined or guaranteed, but will be based on the amount you have accumulated in this plan. There are two main types of plans:

- ***Registered Pension Plans (RPP)***

These plans are governed by pension legislation. Legislation dictates the maximum amount that may be withdrawn from this plan during retirement and when income may start.

- ***Registered Retirement Savings Plans (RRSP)***

There are no restrictions on the maximum amount that may be withdrawn from funds originating in a RRSP.

By the end of the year you turn age 71, you are required to transfer your Pension and RRSP savings into retirement income plans, namely Life Income Funds, Annuities and/or Registered Retirement Income Funds. Income withdrawn from these plans is taxable in the year received. You must request that these plans be established and that the income be paid to you.

To learn more about these various retirement income sources and to discuss your retirement strategy further, contact Reuter Benefits at 1-800-666-0142 or via email at retire@reuterbenefits.com.