

Pascal Leo, CIM  
Knowledge Specialist  
Sun Life Financial - Client Solutions Centre  
1 York St, 27th Floor  
Toronto, ON M5J 0B6  
1-877-504-8031 432-7724  
pascal.leo@sunlife.com

September 05, 2017

Dear John,

Thanks again for taking time to discuss your finances with me. Your Retirement Income Roadmap – a key step in your Money for Life Retirement Journey – is enclosed.

This roadmap compares your estimated assets at retirement to those we believe you will require to achieve your desired retirement lifestyle. It also estimates how long we project your savings will last in retirement, based on the information you provided during our conversation.

Please consider this as an evolving document. We recommend a regular retirement income review to help ensure your investment strategy stays on track to meet your needs.

I would be happy to connect with you again to review your roadmap, so do not hesitate to call me if you have any questions or wish to request changes.

I look forward to continuing to support you.

Sincerely,

Pascal Leo, CIM

# Retirement Income Roadmap

## for John Sample and Jane Sample

### September 05, 2017



Pascal Leo, CIM  
Knowledge Specialist  
Sun Life Financial - Client Solutions Centre  
1 York St, 27th Floor  
Toronto, ON M5J 0B6  
1-877-504-8031 432-7724  
pascal.leo@sunlife.com

**MONEY FOR LIFE**  
Life's brighter under the sun

Sun   
Life Financial

# Summary

Your Retirement Income Roadmap answers two important questions: Am I saving enough to meet my retirement income goals? And if not, how can I get back on-track to do this?




It is based on data you provided, which is summarized in the Personal information section in the Appendix at the end of this document.

Your roadmap consists of 3 steps:

1. Defining your retirement income goal
2. Assessing how ready you are for retirement
3. Designing your Retirement Income Roadmap

All estimates for the illustrations have been determined as at **October 01, 2017**. This report was prepared on **September 05, 2017**.

Based on the information you provided and certain assumptions, your retirement readiness may fall into one of three zones.

Zone	What it means
 Keep it up	You are on track, and provided you maintain the right level of effort, you should meet your objectives. Keep it up!
 Ramp it up	You are close to your goals, but you may still miss them. Some things need a little extra effort – time to ramp it up.
 Reset	Your current rate of savings doesn't appear to be enough to meet your goals – time to reset some strategies to get yourself on-track.

## Your personal retirement readiness zone:



### Ramp it up

Based on your assets and future income, our evaluation suggests your retirement readiness falls into the Ramp-it-up zone which means you may have to review your retirement income goals.

To meet your long-term goals, you may need to make additional deposits or consider changing how your money is invested. You may also wish to consider reducing the amount of income you take in retirement or delaying your retirement.

## Step 1: Defining your retirement income goal

The first step in your Money for Life Retirement Journey is defining your retirement income goal. It's a reference point you can use to make sure you're on track. It can also shape decisions you will need to make in retirement.

Having a clear understanding of your retirement needs will help ensure your retirement income is both sufficient and sustainable.

The table below shows your expected retirement age and income goal based on the information you provided.

Description	Jane	John
Retirement date	January 01, 2032	January 01, 2027
Retirement age	65	65
Life expectancy	95	93
Retirement income goal	60% of pre-retirement income	

## Step 2: Assessing how ready you are for retirement



### Ramp it up

We have some recommendations that can help you ramp up some of your savings strategies to achieve your retirement income goal.

When compared to the retirement income goal defined in Step 1, our calculations suggest that your retirement income may fall short of your goal. You may need to make additional deposits, consider changing how your money is invested or delay your retirement in order to meet your retirement goals.

### Main recommendations

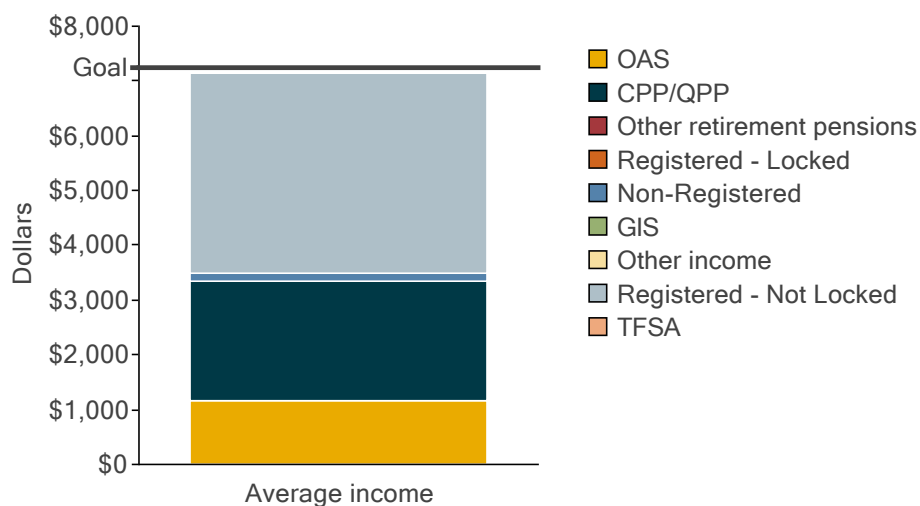
- Take full advantage of Registered Retirement Savings Plans (RRSPs), if applicable.
- Take full advantage of Tax-Free Savings Accounts (TFSA).
- Move your assets into funds that have lower fees, so long as you to stay within your recommended asset mix.

### Additional recommendations

- Ensure your will and powers of attorney are up to date. If you don't have a will, work with a lawyer to prepare one as soon as possible.
- Consider revising your retirement income requirements.
- Consider delaying your retirement.
- Increase deposits to your retirement accounts.
- Review your investment approach and risk tolerance. (Historically, equities have earned higher returns but they also come at a higher risk of loss).
- Consider working part-time or taking contractual employment for a few years after retirement.
- Secure additional sources of guaranteed income if possible.

Based on the information you provided, we calculated your anticipated monthly retirement income from all potential sources.

Your expected average combined monthly income in retirement: \$7,160 in today's dollars



Your expected average monthly income in retirement (based on the above)

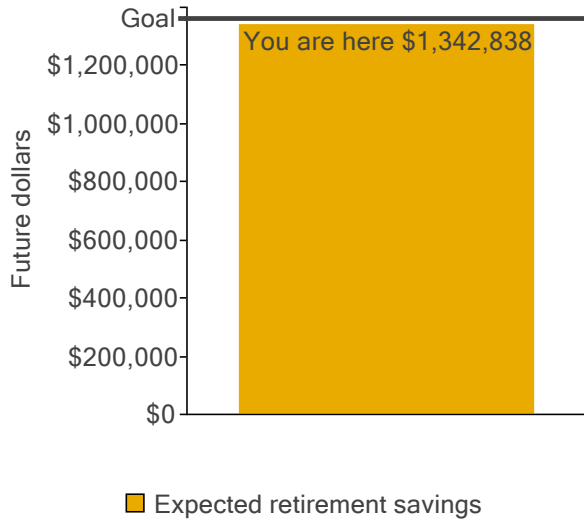
Description	John and Jane
Average income from Canada Pension Plan (CPP) or Quebec Pension Plan (QPP)	\$2,166
Average income from Old Age Security (OAS)	\$1,172
Average income from registered not locked	\$3,667
Average income from non-registered	\$154
<b>Total monthly income</b>	<b>\$7,160</b>
<b>Monthly retirement income goal</b>	<b>\$7,250</b>
<b>Excess / (shortfall)</b>	<b>(\$90)</b>

In addition to the estimation of your monthly retirement income, the following pages provide other illustrations of your level of retirement readiness.

## Expected & required assets

We applied the assumed rate of return of 6.00% that you selected (6.00% for your spouse) to evaluate whether or not your assets will be sufficient to meet your retirement income goal. This return may be considered moderately optimistic when compared to the market sensitivity assessment results presented next.

### Comparison of expected to required assets



Description	Value
Expected Assets	\$1,342,838
Required Assets	\$1,359,808
Excess / (Shortfall)	(\$16,970)

Looking for a way to guarantee part of your retirement income? You may want to consider purchasing an annuity. It's an insurance contract that can provide you with guaranteed payments for life. Contact me for further information on how an annuity could fit into your Retirement Income Roadmap.

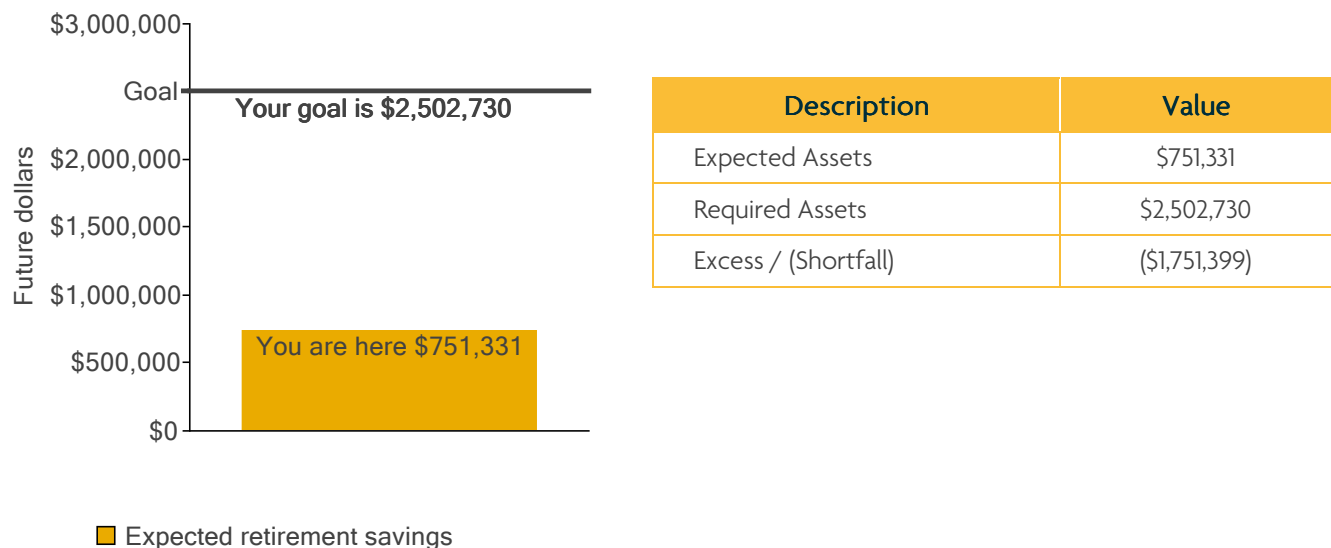
### Expected age when your funds may run out (This only affects accounts from which you make ongoing withdrawals.)

Description	Estimate
Age assets may run out – John	Not applicable
Age assets may run out – Jane	Not applicable
Year your assets may run out	Not applicable

## Market sensitivity test

A market sensitivity test checks the potential impact on your savings **results** if your investments **should** fail. It helps you to evaluate some of the potential risks associated with your investments and the potential impact on your retirement income. The following chart shows the impact on your retirement assets if you were to only achieve a 1.00% (1.00% for your spouse) rate of return.

Market sensitivity test comparison of expected to required assets



## Test results



### Ramp it up

#### Taking action

Based on your market sensitivity test, you may wish to increase your retirement savings. The following table shows the additional deposits you would need to make to meet your retirement income goals based on the results of your market sensitivity test.

Description	John	Jane	John and Jane
Planned monthly savings - Sun Life	\$200	\$0	\$200
Planned monthly savings - external accounts	\$0	\$0	\$0
Total planned monthly savings	\$200	\$0	\$200
Required monthly savings to meet goals	\$201	\$0	\$201
Extra monthly savings to meet goals	\$1	\$0	\$1

## Step 3: Designing your Retirement Income Roadmap

---

The third step in your Money for Life Retirement Journey is designing your Retirement Income Roadmap. It provides an overview of how your roadmap income can work for you during your retirement years.

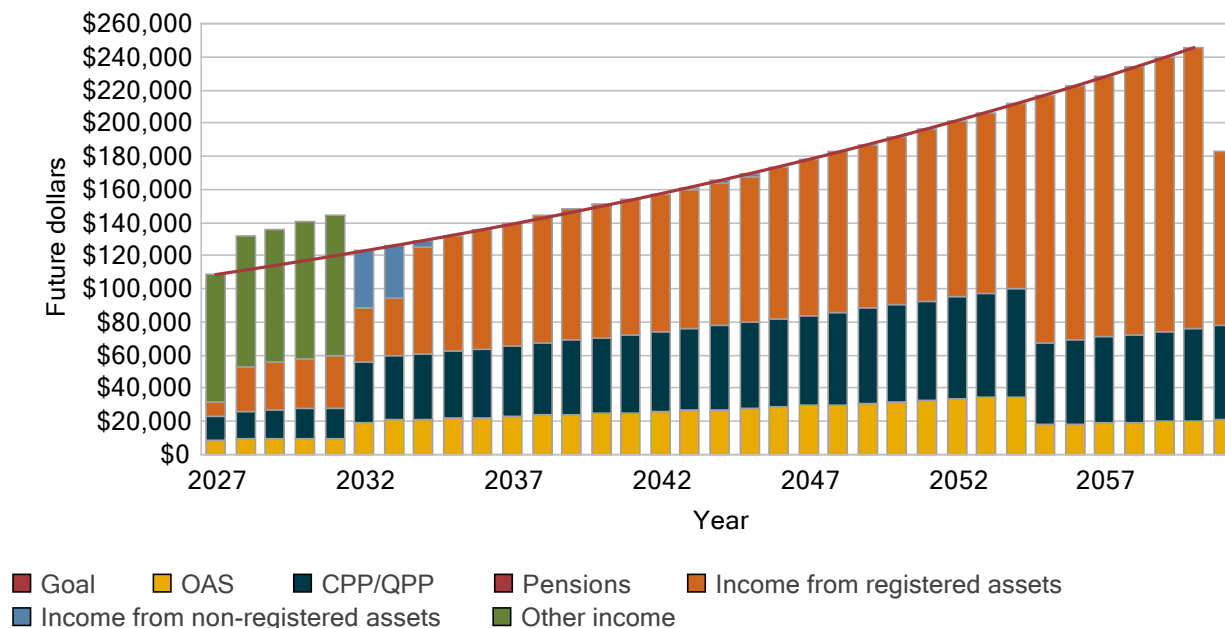
Your Retirement Consultant can assist you in selecting the right retirement income solutions and investments for your needs. For example, you may wish to roll your registered retirement savings into a Registered Retirement Income Fund (RRIF). That will ensure that, while the income you receive is taxable, the amount remaining in the plan, including investment earnings, remains tax sheltered. You may also wish to consider purchasing a life annuity so as to ensure a portion of your retirement income is guaranteed each month.



## Retirement income

The following chart illustrates your combined expected annual cash flow during retirement by source. The amounts are displayed in future dollars, which means an estimate for inflation is included.

Illustration of retirement income



## Retirement assets

The following chart illustrates your combined expected annual balance of assets during retirement by source, based on assumed rates of return and your investor profile.



## Guaranteed retirement income

The advantage of having as much income as possible from guaranteed sources, such as government or company defined benefit pensions or annuities, is that they will never stop no matter how long you or your spouse lives. Please contact me if you would like information on annuities.

*You are able to cover 46% of your income from guaranteed lifetime income sources*

Description	John and Jane
Average guaranteed monthly income	\$3,338
Average non-guaranteed monthly income	\$3,822
Average monthly amount of excess / (shortfall)	(\$90)

## Support for your Retirement Income Roadmap

Thank you again for taking the time to connect with me to create your Retirement Income Roadmap. It's intended to help you make the best decisions about the products and investments you choose in retirement. Having taken this step in your Money for Life retirement journey, you are better prepared to achieve your retirement income goals.

I look forward to continuing to support you via regular check-in meetings to review your roadmap. Also, should you have any questions or wish to request further information, please do not hesitate to call me.

Pascal Leo, CIM  
 Knowledge Specialist  
 Sun Life Financial - Client Solutions Centre  
 1 York St, 27th Floor  
 Toronto, ON M5J 0B6  
 1-877-504-8031 432-7724  
 pascal.leo@sunlife.com

## Illustration of cash flow in retirement

This table illustrates your possible combined retirement income from each of your sources.

Year	OAS	CPP/QPP	Pensions	Income from registered assets	Income from non-registered assets	Other income	Total
2027	\$8,248	\$15,252	\$0	\$8,346	\$0	\$76,805	\$108,651
2028	\$9,223	\$17,054	\$0	\$27,129	\$0	\$78,725	\$132,131
2029	\$9,454	\$17,480	\$0	\$28,485	\$0	\$80,693	\$136,112
2030	\$9,690	\$17,917	\$0	\$29,909	\$0	\$82,711	\$140,227
2031	\$9,932	\$18,365	\$0	\$31,407	\$0	\$84,778	\$144,482
2032	\$19,512	\$36,079	\$0	\$32,979	\$34,358	\$0	\$122,928
2033	\$20,868	\$38,590	\$0	\$34,632	\$31,911	\$0	\$126,001
2034	\$21,390	\$39,554	\$0	\$64,232	\$3,975	\$0	\$129,151
2035	\$21,924	\$40,542	\$0	\$69,914	\$0	\$0	\$132,380
2036	\$22,472	\$41,556	\$0	\$71,662	\$0	\$0	\$135,690
2037	\$23,034	\$42,594	\$0	\$73,791	\$0	\$0	\$139,419
2038	\$23,610	\$43,658	\$0	\$77,640	\$0	\$0	\$144,908
2039	\$24,200	\$44,750	\$0	\$78,889	\$0	\$0	\$147,839
2040	\$24,804	\$45,868	\$0	\$80,163	\$0	\$0	\$150,835
2041	\$25,424	\$47,014	\$0	\$81,449	\$0	\$0	\$153,887
2042	\$26,060	\$48,190	\$0	\$82,726	\$382	\$0	\$157,358
2043	\$26,712	\$49,394	\$0	\$83,979	\$1,207	\$0	\$161,292
2044	\$27,380	\$50,628	\$0	\$85,464	\$1,852	\$0	\$165,324
2045	\$28,064	\$51,894	\$0	\$88,006	\$1,493	\$0	\$169,457
2046	\$28,766	\$53,192	\$0	\$91,735	\$0	\$0	\$173,693
2047	\$29,486	\$54,522	\$0	\$94,027	\$0	\$0	\$178,035
2048	\$30,224	\$55,886	\$0	\$96,376	\$0	\$0	\$182,486
2049	\$30,980	\$57,284	\$0	\$98,784	\$0	\$0	\$187,048
2050	\$31,754	\$58,716	\$0	\$101,254	\$0	\$0	\$191,724
2051	\$32,548	\$60,184	\$0	\$103,785	\$0	\$0	\$196,517
2052	\$33,362	\$61,688	\$0	\$106,380	\$0	\$0	\$201,430
2053	\$34,196	\$63,230	\$0	\$109,040	\$0	\$0	\$206,466
2054	\$35,050	\$64,810	\$0	\$111,768	\$0	\$0	\$211,628
2055	\$17,963	\$49,418	\$0	\$149,538	\$0	\$0	\$216,919

## Illustration of cash flow in retirement (continued)

Year	OAS	CPP/QPP	Pensions	Income from registered assets	Income from non-registered assets	Other income	Total
2056	\$18,412	\$50,653	\$0	\$153,277	\$0	\$0	\$222,342
2057	\$18,872	\$51,919	\$0	\$157,110	\$0	\$0	\$227,901
2058	\$19,344	\$53,216	\$0	\$161,039	\$0	\$0	\$233,599
2059	\$19,828	\$54,547	\$0	\$165,064	\$0	\$0	\$239,439
2060	\$20,324	\$55,911	\$0	\$169,190	\$0	\$0	\$245,425
2061	\$20,832	\$57,308	\$0	\$104,687	\$0	\$0	\$182,827

## Illustration of assets

This table illustrates the possible future evolution of the combined account balances of your accounts, based on the investor profiles selected for each type of account.

Year	Registered - not locked	Registered - locked	Non-registered	TFSA	Total
2017	\$750,000	\$0	\$0	\$0	\$750,000
2018	\$786,360	\$0	\$0	\$0	\$786,360
2019	\$826,361	\$0	\$0	\$0	\$826,361
2020	\$868,338	\$0	\$0	\$0	\$868,338
2021	\$912,387	\$0	\$0	\$0	\$912,387
2022	\$958,609	\$0	\$0	\$0	\$958,609
2023	\$1,007,109	\$0	\$0	\$0	\$1,007,109
2024	\$1,057,999	\$0	\$0	\$0	\$1,057,999
2025	\$1,111,395	\$0	\$0	\$0	\$1,111,395
2026	\$1,167,418	\$0	\$0	\$0	\$1,167,418
2027	\$1,226,197	\$0	\$0	\$0	\$1,226,197
2028	\$1,276,167	\$0	\$0	\$0	\$1,276,167
2029	\$1,309,270	\$0	\$14,535	\$0	\$1,323,805
2030	\$1,342,529	\$0	\$30,518	\$0	\$1,373,047
2031	\$1,375,878	\$0	\$48,055	\$0	\$1,423,933
2032	\$1,409,242	\$0	\$67,259	\$0	\$1,476,501
2033	\$1,442,542	\$0	\$35,004	\$0	\$1,477,546
2034	\$1,475,687	\$0	\$3,893	\$0	\$1,479,580
2035	\$1,480,083	\$0	\$0	\$0	\$1,480,083
2036	\$1,478,876	\$0	\$0	\$0	\$1,478,876
2037	\$1,475,826	\$0	\$0	\$0	\$1,475,826
2038	\$1,470,456	\$0	\$236	\$0	\$1,470,692
2039	\$1,460,895	\$0	\$1,890	\$0	\$1,462,785
2040	\$1,449,605	\$0	\$3,171	\$0	\$1,452,776
2041	\$1,436,478	\$0	\$4,046	\$0	\$1,440,524
2042	\$1,421,415	\$0	\$4,473	\$0	\$1,425,888
2043	\$1,404,332	\$0	\$4,271	\$0	\$1,408,603
2044	\$1,385,158	\$0	\$3,219	\$0	\$1,388,377
2045	\$1,363,556	\$0	\$1,463	\$0	\$1,365,019

## Illustration of assets (continued)

Year	Registered - not locked	Registered - locked	Non-registered	TFSA	Total
2046	\$1,338,328	\$0	\$0	\$0	\$1,338,328
2047	\$1,308,086	\$0	\$0	\$0	\$1,308,086
2048	\$1,274,062	\$0	\$0	\$0	\$1,274,062
2049	\$1,236,018	\$0	\$0	\$0	\$1,236,018
2050	\$1,193,702	\$0	\$0	\$0	\$1,193,702
2051	\$1,146,847	\$0	\$0	\$0	\$1,146,847
2052	\$1,095,175	\$0	\$0	\$0	\$1,095,175
2053	\$1,038,390	\$0	\$0	\$0	\$1,038,390
2054	\$976,182	\$0	\$0	\$0	\$976,182
2055	\$908,223	\$0	\$0	\$0	\$908,223
2056	\$798,363	\$0	\$0	\$0	\$798,363
2057	\$679,447	\$0	\$0	\$0	\$679,447
2058	\$550,947	\$0	\$0	\$0	\$550,947
2059	\$412,308	\$0	\$0	\$0	\$412,308
2060	\$262,948	\$0	\$0	\$0	\$262,948
2061	\$102,252	\$0	\$0	\$0	\$102,252

## Appendix

### Personal information

This Retirement Income Roadmap is based on the information you provided. The following is a summary of all the information and assumptions used for the illustrations in this document.

#### General information

Description	Jane	John
Date of birth	January 01, 1967	January 01, 1962
Gender	Female	Male
Retirement age	65 years and 0 months	65 years and 0 months
Retirement date	January 01, 2032	January 01, 2027
Life expectancy	95 years	93 years
Current annual salary	\$60,000	\$85,000
Province of residence	Saskatchewan	Saskatchewan
Annual retirement income goal	60% of pre-retirement income	
Life Insurance amount	\$0	\$0
Life Insurance needs	\$0	\$0
Critical Insurance amount	\$0	\$0
Critical Insurance needs	\$0	\$0
Other insurance – description		
Other insurance – coverage		

### Pensions

Summary of your Government and other pension income:

Description	Jane	John
Canada Pension Plan (CPP) or QPP pension	Based on 40 years of contributions	Based on 40 years of contributions
Canada Pension Plan (CPP) or QPP payment age	65	65
Old Age Security (OAS) Monthly pension	Based on 40 years of residency	Based on 40 years of residency
Old Age Security (OAS) payment age	65	65

## Current account balances

The following is a summary of the current account balances of your investments. It also shows an estimation of investment management fees (commonly referred to as the MER or management expense ratio) that applies to invested funds for each type of account invested with Sun Life or with another financial services company.

*Your Sun Life accounts:*

Description	John
Plan / Account Name	ABC Ltd RRSP
Current balance	\$250,000
Periodic deposits	\$200
Deposit frequency	Monthly
Type of savings	Registered Not-locked
Investment management fees (MER or management expense ratio)	0.80%

*Your accounts with other financial institutions:*

Description	John
Plan / Account Name	Scotia RRSP
Current balance	\$200,000
Periodic deposits	\$0
Deposit frequency	Monthly
Type of savings	Registered Not-locked
Investment management fees (MER or management expense ratio)	1.45%

Description	Jane
Plan / Account Name	RBC RRSP
Current balance	\$300,000
Periodic deposits	\$0
Deposit frequency	Monthly
Type of savings	Registered Not-locked
Investment management fees (MER or management expense ratio)	1.45%



## Your investor profile

Your retirement illustrations are based on your selection for a rate of return of 6.00%.

The retirement illustrations of your spouse are based on your selection for a rate of return of 6.00%.

## Assumptions and disclaimers

### Rates used in calculations

Assumption	Value
Annual average wage increase rate	2.50%
Annual inflation rate	2.50%
Annual salary increase rate	2.50%
Average tax rate	30.00%
Expected annual return before fees - Conservative profile	4.00%
Expected annual return before fees - Income profile	5.25%
Expected annual return before fees - Balanced profile	6.00%
Expected annual return before fees - Growth profile	6.50%
Expected annual return before fees - Aggressive profile	7.00%
Expected annual return before fees - Money Market	1.50%
Expected annual return before fees - Guaranteed Investment Certificates	3.00%

### Disclaimers and terms of use

- General:** The tool makes assumptions that are purely hypothetical. They are used to provide you with illustrations under different scenarios. It's important to ensure that the assumptions you are using are realistic given your personal circumstances. The estimates provided in the tool are neither a guarantee nor a promise of any benefit from Sun Life Financial. They are intended to assist you in your decision-making process. Your actual monthly income at retirement may be higher or lower depending on factors such as the actual rate of return on your investments, your actual contributions and the accuracy of the assumptions used in the Retirement Planner tool. Sun Life Financial is not responsible for any loss or damage that may arise from any use you may make of these estimates.
- Use of date of birth:** Your date of birth is used along with your planned retirement age to determine how long you have to invest for your retirement and how much you need to save. If you elect to postpone your retirement, you may defer electing an income option from a registered locked or not-locked account until the end of the year you reach age 71. All illustrations assume a retirement period that spans to the end of your life expectancy. This tool assumes that your planned contributions for retirement will continue until you retire at the assumed salary increase rate.
- Retirement planning period:** The life expectancy value(s) used in this report is (are) based on the response(s) you provided and is (are) expressed in terms of age. It may be helpful to know that data from the Canadian Institute of Actuaries shows that males/females who live to age 65 have a 30% chance of living to age 93/95 respectively. There are many factors contributing to your life expectancy such as current lifestyle, existing illnesses and your family history that will determine whether you will live past these assumed ages.

- **Assumed investment returns (rate of return):** Assumed rates of return are based on how your funds are invested among the various asset classes according to the investor profile selected for each type of account in your portfolio, less investment management fees entered for Sun Life assets and assets held outside Sun Life. Assumed rates of return are purely hypothetical and are used for illustration purposes only. The estimated future assumed gross rates of return are based on historical investment returns by asset class, adjusted for current trends. The gross rates of return are decreased by management fees corresponding to the estimated fees applied to the Sun Life and external retirement plans, resulting in the net rates of returns upon which the forecast is based. The assumed gross (before fees) rates of return for each investor profile are stated in the table above.
- **Management fees:** Investment management fees entered for each type of account held by you and your spouse at Sun Life or outside Sun Life (registered locked, registered not locked, non-registered and TFSA) are estimated based on what you have provided us and/or public or Sun Life sources and the amount of assets. Assets for each type of account grow based on the assumed investment return for the selected profile(s) or the rate of return entered, after deducting fees.
- **Registered funds:** The calculations do not take into account any existing unused Registered Retirement Savings Plan (RRSP) contribution room. If total annual registered contributions exceed these RRSP limits, the tool will assume the excess amount to be contributed to your non-registered savings.

This illustration assumes that you will convert your savings to RRIF-type and/or LIF-type income products at retirement. At retirement you will also have other options to convert your savings to retirement income, such as receiving annuity payments, which are not illustrated.

A Registered Retirement Income Fund (RRIF) and Life Income Fund (LIF) provides you with a regular retirement income. Registered (not locked) and Registered (locked) accounts provide a retirement income in the form of RRIF or LIF-type payments directly from the plan. You must withdraw a minimum amount each year, starting by the calendar year following the year you elect RRIF or LIF-type payments. There is no maximum withdrawal amount on RRIF payments, while LIF payments have a maximum depending on factors such as your age, the balance in your account and the provincial legislation the money was earned in. The income you receive is taxable but the amount remaining in the plan, including investment earnings, remains tax sheltered. You may convert your remaining balance to a life annuity at any time after age 55.

- **Government pensions:** This tool estimates a Canada Pension Plan (CPP) amount or Quebec Pension Plan (QPP) amount based on your current annual income and the number of years entered that you expect to contribute to CPP (QPP) between ages 18 and 65. CPP (QPP) and Old Age Security (OAS) are estimated in cases where a monthly amount is not provided. Depending on actual earned income amounts prior to your current annual income, the CPP (QPP) amounts may be overstated requiring you to save additional amounts to reach the income amount stated.

The estimated OAS pension is based on the number of contribution years entered up to the maximum amount, requiring 40 years of Canadian residency. It will also consider the possibility that all or a portion of the OAS pension may be subject to clawback if your total retirement income exceeds applicable limits. The CPP (QPP) and OAS income amounts are indexed annually at the selected rate of inflation.

- **Use of funds:** The procedure for the use of funds is to determine whether existing pensions, such as company pensions, Canada or Quebec Pensions and Old Age Security are sufficient to meet the retirement income objective. If not, the program uses non-registered investment income and capital until exhausted, then Tax-Free Savings Accounts (TFSA), locked-in RRSPs and RRSPs last. This has the effect of achieving tax-free compounding of registered investments for as long as possible. The program uses locked-in RRSPs before non-locked-in RRSPs to ensure the maximum is withdrawn before accessing non locked-in RRSP funds.

- It is possible that other sources of income will become available to you after the year of retirement, such as additional government pensions and/or Defined Benefit Pension Plan (DBPP) income. The tool assumes that when you start receiving income from these other sources, you will be able to draw less from your registered and non-registered savings to meet your retirement income goal. Your estimated retirement income from savings is based on your projected retirement savings which grow based on the assumed net rate of return over the retirement planning period. All amounts presented are gross (pre-tax) income.
- **Defined benefit pension plans:** If there is a defined benefit pension plan (DBPP), the accrued pension will grow based on the option selected for future increases in the monthly pension amount or cost-of-living adjustments. This amount is included as income during retirement and is payable for life. If you choose to start receiving your DBPP earlier or later than the "normal" retirement date for your plan, this may impact your monthly DBPP income amount. Be sure that the correct monthly income amount is included for the age that you plan to start receiving income from your DBPP. Refer to your current DB statement for information on the expected payout.
- **Retirement income goal:** You can set your retirement income goal based on percentage of income or dollar amount. If you select to base your goal on percentage of income, the planner will calculate your goal based on projected income in the year before retirement. If you base your goal on a specific dollar amount, the retirement goal represents gross (pre-tax) retirement income in today's dollars.
- **Non-registered savings:** During retirement, if all sources of annual income (including the minimum withdrawal from a registered account such as a Registered Retirement Income Fund) are greater than the income required for your retirement goal, any excess will be saved and accumulated in the non-registered account. These funds will be available as a source of income in future years or accumulated to the end of the retirement years. All non-registered assets are expected to earn an after-tax investment return that takes into account contributions and withdrawals.
- **Illustrating retirement income:** The solid colour bars represent estimated monthly retirement income from various sources available to you in the year of retirement. If you are not on track, the gap between your desired monthly retirement income and your estimated monthly retirement income is represented by a blank space. You may review the suggestions on how you can change your plan to help meet your goals. The monthly retirement income shown is based on a number of assumptions and is provided for illustration purposes only.
- **Illustrating retirement savings:** The illustration comparing expected to required assets at retirement represents the median value of your assets over time between now and the end of the retirement planning period based on the assumed net rate of return. Due to the volatility of returns of all asset classes, the assumed average net rate of return may or may not occur. Each investment mix can produce a range of possible returns. If you are not on track, the gap between your projected retirement savings and the savings needed to support your retirement income goal is represented in the same chart.
- **Additional lump sums:** Any additional lump sums entered are used as provided in the year entered that the client expects to receive them, without any adjustment or projection. They should be entered as after-tax amounts, as they are not subject to tax when received by the client or spouse. Lump sums entered after retirement will be added to non-registered holdings and spent if required to meet income needs. Amounts not spent in the year they are received will continue to grow at the expected rate of return for non-registered assets and saved for spending in future years.
- **Additional annual income:** Additional annual income amounts entered are used as provided, without any adjustment or projection. They are gross before-tax amounts.