

Presentation for the employees Carleton University

RRSPs and TFSAs – information to know and help you on your journey to retirement

Policy 60910

Facts, tax and impacts



Today's agenda

- Sources of income at retirement
- Your group RRSP and its benefits as well as general facts about RRSPs & TFSAs
- Your investment choices
- Tools and services

Review sources of income



Government
retirement benefits



Employer-sponsored
retirement plan



Personal savings

Government benefits

2023 monthly benefit at age 65

Old age security ³ (OAS)	\$ 688 ¹
Canada pension plan (CPP) (avg \$727) Quebec pension plan (QPP)* (avg \$600)	\$1 306 ²
Potential monthly total	\$1 994



Amounts shown are maximums.

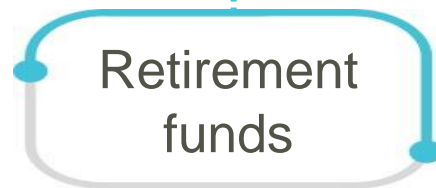
More information can be found at:

- www.canada.ca
- www.rrq.gouv.qc.ca (*specifically for Qc. residents)

Source: www.canada.ca. ¹Basic benefit effective Jan. 1, 2023 (reviewed quarterly and revised as required to reflect cost of living)

²Benefit effective Jan. 1, 2023 (indexed annually). ³Benefit (claw back) repayment income threshold based on 2023 net world income = \$81 761 to a max of \$134 253

Your Group Retirement Savings Plan



Retirement income



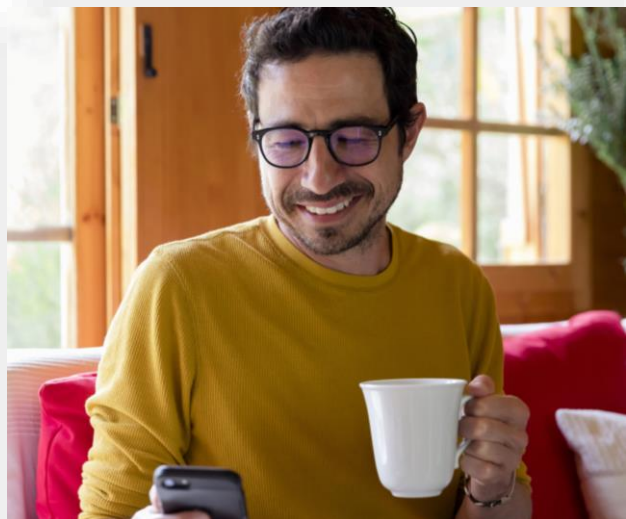
*Registered Retirement Savings Plan

A Registered Retirement Savings Plan (RRSP)



- ✓ A savings account registered with the Canada Revenue Agency (CRA)
- ✓ Offers tax advantages not available in non-registered accounts
- ✓ Can be invested in numerous investments
- ✓ You may open more than one

Types of RRSP accounts



Individual



Group



Spousal



RRSP contribution limit

Total amount that may be contributed to a registered plan for which a tax deduction is provided

Refer to your last Notice of Assessment

RRSP – Know your limits

Contribution limits

The lesser of the two following items:

18% of previous year's income

or

the annual RRSP Limit (\$30 780 in 2023)

Unused room carries forward

Must have filed Canadian taxes in previous year to contribute to an RRSP

Your group retirement and savings program

RRSP eligibility

- Employees may join the RRSP immediately.

RRSP contributions

- Employees may make additional payroll contributions up to their CRA RRSP contribution limit.
- Spousal RRSPs are offered.

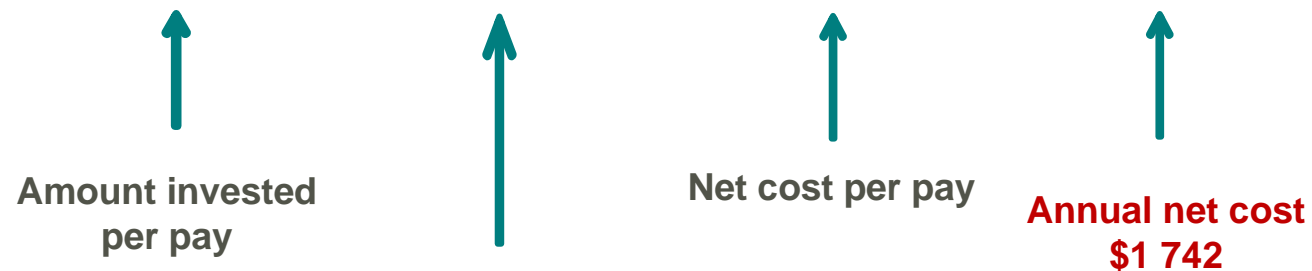
Withdrawals

- Withdrawal of voluntary contributions is allowed at any time. Taxes and fees may apply.
- Exceptions on withholding tax : Home Buyers' Plan (HBP) and Lifelong Learning Plan (LLP).

It's cheaper than you think!

Annual income \$50 000
As per a 5% payroll contribution with bi-weekly pay
(For illustration purposes only)

Payroll contribution	Immediate tax savings* (30%)	Net cost per pay	Your personal RRSP annual contribution (5%)
\$96	\$29	\$67	\$2 500



*Immediate tax savings
*Tax rate may vary

Your group advantage – comparing fees

Asset category	Your group investment management fee and expense (IMFOE)* (%)	Sample retail average management expense ratio (MER)** (%)	Your group advantage (%)
Asset allocation	1.74	2.08	0.34
Fixed income	1.65	1.76	0.11
Balanced	1.75	2.27	0.52
Canadian equity	1.75	2.26	0.51
Global equity	2.16	2.38	0.22
International equity	1.76	2.39	0.63

* Averages of the IMFOEs from your plan as at Feb. 2023

** Morningstar Research, December 31, 2022 . The mid-range of MERs are selected from the advisor series.

Where to find your RRSP contribution limit



CRA Notice of Assessment

Mailed to you after filing taxes for the previous year



[canada.ca](https://www.canada.ca)

- My Account
- MyCRA



CRA tax information phone service (TIPS) line

1-800-267-6999



Deadline to contribute to your RRSP for the 2022 tax year

Contributions made by March 1, 2023 can be deducted from your 2022 or 2023 income.

Tax-Free Savings Account (TFSA) – general information



- ☑ A flexible investment savings plan
- ☑ Allows you to earn investment income tax-free
- ☑ You pay no tax when you need to use your money
- ☑ Contributions aren't tax deductible

TFSA - Know your limits

Contribution limits

Contribution limit is a flat dollar amount each year not based on earned income

Unused room carries forward

Previous years' withdrawals will be added to current years contribution limit

Where to find your TFSA contribution limit



Contact **CRA** and request a TFSA room statement



[canada.ca](https://www.canada.ca)

- My Account
- MyCRA



CRA tax information phone service (TIPS) line

1-800-267-6999

TFSA contribution room

Year	Annual Contribution Limit
2009	\$5,000
2010	\$5,000
2011	\$5,000
2012	\$5,000
2013	\$5,500
2014	\$5,500
2015	\$10,000
2016	\$5,500

Year	Annual Contribution Limit
2017	\$5,500
2018	\$5,500
2019	\$6,000
2020	\$6,000
2021	\$6,000
2022	\$6,000
2023	\$6,500

If you have never contributed to a TFSA, an eligible Canadian could have \$88,000 available contribution room as of Jan. 1, 2023.



Tax





Tax advantages of a group RRSP

- Immediate tax savings with payroll contributions
- Contributions reduce taxable income
- Investment growth is tax-deferred

Immediate tax savings with your group RRSP

	No contributions	Contributing 5% per pay
Gross bi-weekly pay	\$1,923	\$1,923
Contribution	\$0	\$96
Taxable pay	\$1,923	\$1,827
Tax (30%)	(\$577)	(\$548)
Net pay	\$1,346	\$1,279



It costs \$67
to contribute \$96!

Does tax-deferred mean tax-free?

Example	Will your income be higher or lower when you withdraw?	
Taxable Income	\$80,000	\$45,000
Withdrawal	\$20,000	\$20,000
Marginal tax rate	29.65%	20.05%
Tax owing on withdrawal	\$5,930	\$4,010



Tax advantages of a TFSA

- Growth isn't taxed at the time of withdrawal
- Withdrawn amounts are added back to your contribution room in the following tax year

Gabrielle's TFSA tracker

Year	TFSA contribution limit	Contribution amount	Unused contribution room	Amount withdrawn
2018	\$5,500	\$5,500	\$0	\$0
2019	\$6,000	\$6,000	\$0	\$0
2020	\$6,000	\$6,000	\$0	\$0
2021	\$6,000	\$6,000	\$0	\$0
2022	\$6,000	\$500	\$5,500	\$4,000

What is Gabrielle's TFSA contribution room for 2023?

Gabrielle's TFSA contribution room as of Jan. 1, 2023

Unused TFSA contribution room at the end of 2022 (\$5,500)

 total withdrawal made in 2022 (\$4,000)

 2023 TFSA dollar limit (\$6,500)

 Total contribution room at the beginning of 2023 (\$16,000)

Year-end tax filing



RRSP

- Canada Life will send you contribution receipts
- March – December contributions
- January – February contributions
- Enter the total contributions to reduce your taxable income



TFSA

- Canada Life will **NOT** send you contribution receipts
- Contribution amounts are reported to CRA

IMPORTANT

Starting in 2023, tax receipts will be available on our My Canada Life at Work™ member site.

Where to access your tax receipts

canada **life**™ FR

Here's how to sign in

For GRS Access (savings)
Sign in with your existing GRS Access ID (usually a 7-digit number, a custom ID you created or an email address).

For GroupNet (benefits)
Sign in with your existing GroupNet sign-in email address.

For My Canada Life at Work
Use the email address you chose when you signed up for My Canada Life at Work.

Sign in [Sign-in help](#)

GRS Access ID (savings)/Email address (benefits)

Password

Remember me

Sign in

Register

[Forgot Password](#) or [Access ID/email address?](#)

canada **life**™

Overview

Make a claim

Benefits +

Contributions

Savings -

Plans info

Statements

Manage portfolio

Info centre +

Resources +

Options for you

Upload forms and files here one at a time. Your files will be encrypted to protect your information. Be sure to keep your original documents in case we need them.

Choose document

Max file size: 10 MB

> Accepted file formats

View your portfolio

Detailed info about your investments

[Plan overview](#)
View your plans and beneficiaries

[Activity reports](#)
Get reports by plan and date range

Tax receipts
Download your tax receipts

[Book value](#)
View the book value of your plans

Change your portfolio

Where to go to make changes to your investments

[Investment instructions](#)
View and update instructions for future

[Fund to fund transfer](#)
Move money between funds

[Cash withdrawal](#)
Withdraw money from your plans



Visit [My Canada Life at Work](#)



Impacts



How much will your savings be worth?

Contributions calculator

See how the size of the contributions to your group plan can affect your retirement income with this calculator.

Share on     

How old are you?

At what age do you want to retire?

How are you contributing to retirement today?

A percentage of your annual income

A dollar amount

What's your annual income before taxes?

What percentage of your annual income are you contributing?

 %

Pre-retirement rate of return

 %

Calculate

Here are your results

Based on your information, here's a breakdown of how much your contributions could be worth in the future.

Your contributions in 30 years could be:

\$224,217.00

You could get an annual income for 25 years after retirement of: **\$15,908.75**

* We suggest you use a few different interest rate assumptions to help you understand how results might vary.

Looks like you've got a shortfall

Estimates show you'll need to make some changes to reach your goal

Save more to reduce your shortfall

Consider increasing your monthly contributions

Change my info

Savings plans (monthly contributions):

Retirement Age:

Retirement goal (Monthly estimate):

Agree and then save

I understand this tool is for planning only and no changes will be made to my plans.

Start over

Save my goal

Retirement Plan Calculator

Monthly

Amounts are after taxes

Estimated expenses and income

Category	Amount
Estimated monthly retirement income	\$2,706
Monthly retirement income goal	\$2,786

Based on 2% inflation

Monthly shortfall: **-\$80**

How did we arrive at these estimates? +


Will you have enough?


Want to make or change your contributions?

It's quick
and easy

Contributions






[View](#) [Add new](#)

 **Pre-authorized**
Make easy one-time or recurring contributions directly from your bank account. >

 **Online banking**
Contribute through bill payments on your financial Institution's website. >

Add banking info

Select your financial institution

     [Other](#)

Financial institution code

Transit number

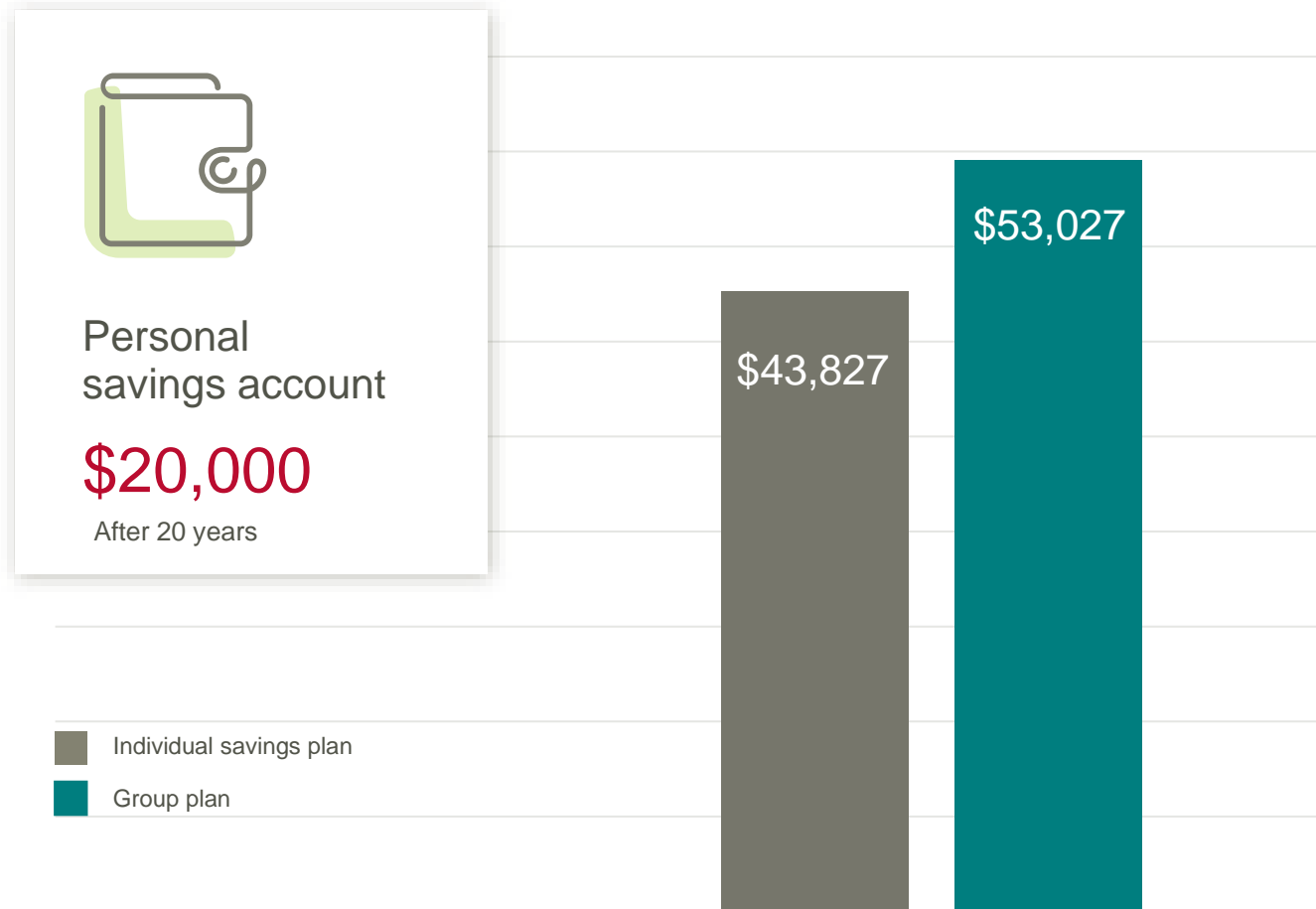
Account number

If your account number starts with one or more zeroes, include them.

> Need help with banking info?

[Cancel](#) [Save](#)

Reduced investment management fees (IMFs)



IMFS are also referred to as management expense ratios or MERs

³² Assumes no further contributions for ease of calculation, interest on the initial investment compounded annually. Based on a 20-year investment at a group plan rate of return (which includes fees) of five per cent and an individual savings plan rate of return (which includes fees) of four per cent.



Withdrawals

Consequences of pre-retirement RRSP withdrawals



10-30% of withdrawn amount withheld by financial institution



Withdrawn amount must be added as income when filing taxes. Additional tax may be owed.



Loss of future gains on amount withdrawn and loss of contribution room.

Before you make a withdrawal from your retirement savings

Financial well-being	
My Canada Life at Work	+
Budgeting	+
Budgeting tips	+
Net worth	+
Credit reports	+
Credit scores	+
Credit alternatives	+
Debt management	+
Debt management solutions	+
Simply speaking newsletter	+
Additional resources	+

Impact of withdrawal tool

How old are you?

At what age do you want to retire?

What is your current total retirement savings?

What is your annual rate of return?
 %

How much are you looking to withdraw now?

Calculate

Here are your results

Based on your information, here's a breakdown of the effect of your early withdrawal.

If you withdraw
\$10,000

Your loss by age 65 would be:
\$33,864

*Calculations do not take into account taxes payable (if any) on growth of investments, nor potential tax deduction (if any) on interest paid.



Visit canlife.co/wellbeing



Visit smartpathnow.com



Helpful resources

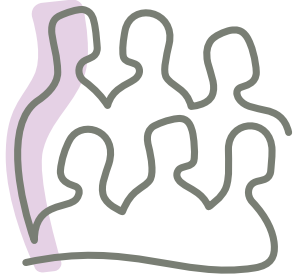
- RRSP savings calculator
- CRA
- [canada.ca](https://www.canada.ca)
- canlife.co/RRSPbasics

A young girl with dark hair, wearing a purple and blue patterned cardigan over a grey top, stands behind a yellow tray. On the tray are five piggy banks: a white one with a cork, a pink one with a smiling face, and three others in white and pink. The background is a white brick wall and a brown sofa.

Your investment options

Which strategy suits you the best?

What type of investor are you?



Hands-off approach where you allow the experts to handle your investments

- Portfolio Target Risk Funds



Hands-on approach where you actively manage your investments

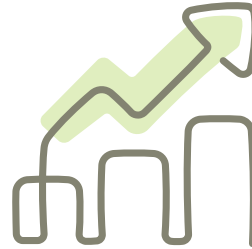
- À la carte funds

Why choose a target risk fund



Easy to choose

Select one fund



Managed to minimize risks

Made up of different types of investments to help minimize ups and downs of the market



Hands off

Professionals manage and adjust investments in the fund for you

How a target risk fund works

There are five target risk funds made up of a mix of investments based on investors' comfort with risk. From conservative to aggressive, there's a fund for everyone.



For illustration purposes only, the chart illustrates the approximate percentages of holdings. The actual asset percentages will vary.



Investment
personality
questionnaire

Want to find out how comfortable with risk you are?
Let's take a look.



Select a fund to match what type of investor you are

If your score is between	You are a	The corresponding fund is
105 or less	Conservative investor	Conservative Fund
106 to 135	Moderate investor	Moderate Fund
136 to 164	Balanced investor	Balanced Fund
165 to 199	Advanced investor	Advanced Fund
200 or more	Aggressive investor	Aggressive Fund

- Five funds are modelled after five investor types
- Match investment personality questionnaire score to a fund

Create your own portfolio

1

Know your investment personality

- Define your investment objectives
- Determine your risk tolerance and investment horizon

2

Understand your investment options

- Go to mycanadalifeatwork.com > Manage portfolio > Investment > Funds and fees

3

Make your selections and monitor

- Online – mycanadalifeatwork.com
- 1-800-724-3402



A man with a beard, wearing a maroon t-shirt and a silver watch, is looking down at his smartphone. He is smiling slightly. The background is a blurred outdoor setting with many people, suggesting a public event or festival. The lighting is warm, indicating it might be late afternoon or early morning. There is a white rectangular overlay on the left side of the image containing the text 'Tools and resources'.

Tools and resources

Who are our Health and Wealth Consultants?



- 29 experienced, nationally licensed (LLQP) professionals that provide guidance to plan members
- Languages: English, French, Spanish, Mandarin (Traditional and simplified Chinese), Hindi, Punjabi, Arabic, Gujarati, Marathi
- Trained extensively on both investments and insurance
- Salaried, non-commission Canada Life employees
- Available by appointment through phone or video chat
- Located across Canada, Monday to Friday, 8 A.M. - 8 P.M. EST



Connect with your consultant

A consultant can help you:

- Help you open your RRSP account online
- Understand the details of your plan
- Plan for your goals, big and small
- Answer your group plan questions
- Consolidate assets



Book your appointment today.

It's like having a personal trainer for your group plan, at no extra cost.

Visit canlife.co/Bookanappointment to book an appointment.

Real people, real connections
and real solutions.



Savings - Manage portfolio



Overview

Contributions

Savings

Plans info

Statements

Manage portfolio

Info centre

Resources

Wellness

Mental health

Savings tips

Find a provider

Options for you

Tools and resources

All links open in a new tab



Upload documents

Upload forms and files here one at a time. Your files will be encrypted to protect your information. Be sure to keep your original documents in case we need them.

Choose document

Max file size: 10 MB

> Accepted file formats



View your portfolio

Detailed info about your investments

[Plan overview](#)

View your plans and beneficiaries

[Activity reports](#)

Get reports by plan and date range

[Duplicate tax receipts](#)

Get copies of your tax receipts



Change your portfolio

Where to go to make changes to your investments

[Investment instructions](#)

View and update instructions for future contributions and transfers

[Automatic investment rebalancing](#)

Specify preferences and frequency

[Fund to fund transfer](#)

Move money between funds

[Enrolment express](#)

Sign up for additional plans

[Maturing investments](#)

Find out when investments reach their maturity date

[Printable forms](#)

Download forms for requests and changes



Investments

Get info on the investments offered in your group plans

[Fund reviews and fees](#)

View rates of return and investment management fees and expenses.

[Net unit value and rates](#)

Fund values and rates for guaranteed investments

Support for all stages:

- Getting started
- Getting serious
- Getting close

No logging in needed:

- Share with friends and family

The screenshot shows the Canada Life Smart Path website. At the top, there is a navigation bar with the Canada Life logo and menu items: "Getting started", "Getting serious", "Getting close", and "Retired". A search bar is also present. Below the navigation bar, the page title "Smart Path" is displayed. A featured article titled "How Canada Life is supporting you during COVID-19" is shown with a "Learn more" link. Below this, an important notice states: "IMPORTANT NOTICE: As of Jan. 1, 2020, The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company became one company – The Canada Life Assurance Company." A large image of a woman and a man is featured, with a text overlay asking "Wondering how much income you'll get from your retirement savings?" and a "Find out more" button. Below the image, the heading "Achieve your potential, every day" is followed by three content cards: "Where does retirement income come from?", "Living within your means", and "Pay yourself first". Each card includes a brief description and a "Learn more" link.

Canada Life services and support

Contact Canada Life

1-800-724-3402

8 a.m. to 8 p.m. ET

Monday-Friday

Tech Line

1-888-222-0775

Member website

- Create a retirement goal
- Check balances
- Research investments
- Change investments
- Access statements
- Education

mycanadalifeatwork.com

Retirement education

- Articles
- Calculators
- Videos
- Links to external resources

smartpathnow.com

Book a consultant

canlife.co/Bookanappointment



THANK YOU

Mark your calendars
for the upcoming
multi-employer
session on May 17,
2023.

