

Retirement Income Options (RIO)

What to do with your retirement savings

If you're approaching retirement, you'll want to start looking into how your RRSP can provide you income during your retirement. At any age you can convert your RRSP into a Retirement Income Option (RIO), however you must convert it by December 31st of the year in which you turn 71.

It's important to note that not all RIO's are created the same, and there are a number of different options available that you'll want to discuss with your spouse/ common-law partner, and/ or children, and a trusted financial advisor.

The 3 most common RIO options are detailed below:

	RRIF	Life Annuity	Term Certain Annuity to age 90
Features	<ul style="list-style-type: none">• Most flexible RIO because you can control the payment amount, frequency and the types of investment	<ul style="list-style-type: none">• Pays the full amount of principal and income earned in regularly scheduled payments for as long as you live• Variable annuity options available	<ul style="list-style-type: none">• Pays out the full amount of principal and income in regularly scheduled payments by age 90• Payments are based on age, the original investment, and the rates of interest earned
Survivorship	<ul style="list-style-type: none">• Surviving spouse may assume ownership of plan or transfer the funds to his/ her RRIF or annuity	<ul style="list-style-type: none">• No risk of outliving your income; options can be added to provide for beneficiary upon your death	<ul style="list-style-type: none">• At death, amounts are available to survivors as either a lump sum payment or as payments that last until what would have been your 90th birthday. As an alternative you can choose to have payments continue until your younger spouse turns 90
Best suited for	<ul style="list-style-type: none">• Ideal for those whom estate preservation is important and who want to make their own decisions	<ul style="list-style-type: none">• Ideal for people seeking guaranteed income for a set period of time	<ul style="list-style-type: none">• Ideal for people seeking guaranteed income to age 90



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continued...



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Investment options	<ul style="list-style-type: none"> Can be invested into the same vehicles as RRSPs 		
Withdrawal Rules	<p>3 options available:</p> <ul style="list-style-type: none"> Minimum annual withdrawal amount: Guarantees RRIF payments for life Specified Payment Amount Option: Enables you to select a payment amount exceeding the minimum, with flexibility to change the amount Specified Term Payment Option: Allows you to choose your payments over a fixed number of years 	<ul style="list-style-type: none"> Lump sum cash withdrawals are not available with annuities <p>Options available to:</p> <ul style="list-style-type: none"> Choose your guaranteed periods from 5 years up to age 90 Purchase a life annuity that decreases at age 65 if you retire prior to receiving OAS payments Accommodate for inflation by building an indexing factor of 1% - 4% into your annuity Cash in prior to death with some insurance companies, subject to restrictions and penalties 	<ul style="list-style-type: none"> Lump sum cash withdrawals are not available with annuities
Withholding Tax	<ul style="list-style-type: none"> If you receive more than the minimum amount, the amount in excess is subject to the following withholding tax: <ul style="list-style-type: none"> Up to \$5000: 10% \$5000.01 - \$15,000: 20% >\$15,000: 30% 	<ul style="list-style-type: none"> Withholding tax is not deducted from annuity payments. 	<ul style="list-style-type: none"> Withholding tax is not deducted from annuity payments.



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