A Age credit, 162-163 Allowance for spouse of OAS recipient, 38 Annuities, charitable, 142 Annuities, non-registered, 139-141 insured, 140-141 prescribed, 139-140 Annuities, registered, 114-120 advanced life deferred (ALDA), 117-118 fixed term, 115-116 security of payments, 118-119 vs RRIFs, 119-120 B

Beneficial ownership, 297-298 Bonds, 128-129 C

CPP, see Canada Pension Plan

Canada Pension Plan (CPP) amount of benefits, 17, 42 calculating entitlement, 19-21 statement of contributions, 19-20 child rearing provision, 21-22 contributions, 17 early retirement effects on, 21-24 enhancement of (2019), 18-19 indexation to inflation, 18 lump-sum death benefit, 25 pension sharing, 26-27, 169-171 post retirement benefit (PRB), 24-25 rates (2021), 42 reduced benefits, 22-24 surviving spouse's benefit, 29-30 survivor benefits, 27-28 taxation

non-residents, 18 underfunding, changes to prevent, 30-32 when to apply for benefits, 22-24 Charitable donations annuities, 139-141 estate planning, 298-300 features and benefits, 313-315 Child rearing provision, 21-22 Clawback of OAS benefits, 24, 34-36 strategies to reduce, 35-36 Common law defined, 161-162 Condominiums, 228-231 checklist for selection, 246-250 Contract work, 122 Corporate-class funds, 144-145 Cottage or country home move to on retirement, 215-216 passing on to next generation on death, 300-303 Critical illness (CI) insurance, 255-260 D

DB, see Defined benefit plan

DC, see Defined contribution plan

DPSP, see Deferred profit sharing plan

Deferred profit sharing plan (DPSP), 67

Defined benefit plan, 49, 50-53 formula, 50 maximum benefit amount, 51-52 pension adjustment (PA), 50-51

Defined contribution plan, 52-53

Departure taxes, 224-225

Disability credit, 164-165, 236

Dividend income, 129-130

Е

EAP, see Employee assistance program EI, see Employment Insurance ETF, see Exchange-traded fund Emergency funds, 153 Employee assistance program (EAP), 227 Employee stock option plan, 67-69 Employer retirement plans, 49-90 contact information for plan regulators, 78-79 locked-in retirement accounts, 60-66 other employer-sponsored plans, 67-71 registered pension plans, 49-60 severance payments, 71-77 standards by jurisdiction, 80-87 Employment Insurance (EI), 39-41 Estate planning, 277-315 equal distribution of assets, 303-304 life insurance, 267-269, 284-286 power of attorney for personal care, 284 power of attorney for property, 281-283 strategies, 293-304 charitable causes, 298-300 cottage to next generation, 300-303 equal distribution, 303-304 probate reduction, 293-298 trusts, 286-293 will, 277-281 Estate tax, snowbirds, 220 Exchange-traded fund (ETF), 131-132 Executor, duties of, 305-307 F Financial planners working with retired clients, 317-321

G

GIC, *see* Guaranteed investment certificate GIS, *see* Guaranteed Income Supplement

```
GMWB, see Guaranteed minimum withdrawal benefits
  Gifting, 294, 301-302
  Government benefits, retirement income, 15-45
     withholding tax for non-residents, 44-45
  Guaranteed Income Supplement (GIS), 37-38
     Allowance for spouse of OAS recipient, 38
  Guaranteed investment certificate (GIC), 128
     index-linked, 138
  Guaranteed minimum withdrawal benefits (GMWB), 136-138
Η
  Health care concerns, 8, see also Medical care coverage
  Health insurance, see Medical care coverage
  Home accessibility, 227-228
     checklist for, 238-245
     tax credit programs, 166-167
  Home care support, 227
```

Home equity plan, see Reverse mortgage

```
Hybrid plan, 53-54
```

```
I
```

```
Income splitting, 167-176
CPP/QPP benefits, 25, 168-169
case study examples, 172-176
interspousal loan, 177-178
investment income, 176-178
pension splitting, 169-171
sale of principal residence proceeds, 176
self-employment, 124-125
```

Income tax issues, snowbirds, 218-220

Income tax rates, see Tax rates

Income trusts, 132-134

Index-linked GICs, 138

Insurance critical illness, 255-260 life, 267-269, 284-286

```
long-term care, 260-263, 273-274
travel medical, 266-267
checklist for selecting, 272
Insured annuities, 140-141
Interspousal loan, 177-178
Investment vehicles/choices
planning strategies, 147-152
case study, 149-152
emergency funds, 153
smooth withdrawal from RRSP/LIRA, 147-148
spend non-registered savings, 148
sustainable withdrawal rates, 153-156
summary table, 146-147
```

Joint ownership, 296-298 L

J

LIF, see Life income fund

LIRA, see Locked-in retirement account

Life expectancy, 1, 3, 5-9

Life income fund (LIF), 63-64 maximum withdrawal schedule, 89-90

Life insurance, 267-269, 284-286

Life-lease facilities, 232-234

Locked-in retirement account (LIRA), 60-66 early access to, 65-66 life income fund, 63-64 locked-in retirement income fund (LRIF), 64-65 prescribed registered retirement income fund (PRIF), 65-66 registered retirement savings plan (RRSP), 60-62

Locked-in retirement income fund (LRIF), 64

Long-term care facilities, 235-237

Long-term care insurance, 260-263, 273-274

Low-income retirement, 180-184

Lump-sum payments

death benefit, 28 retirement, 76

Μ

Mandatory retirement, see Retirement

Medical care coverage additional, 270-271 critical illness insurance, 255-260 emergency, contact points, outside Canada, 253 emergency, outside Canada, 251-252 long-term care insurance, 260-263, 273-274 prescription and dental, 264-266 snowbirds, 218 travel medical insurance, 266-267 checklist for selecting, 272

Medical expenses credit, 165-166

Moving in retirement, 215-225 condominiums, 228-231 cottage or country home, 215-216 life-lease facilities, 232-234 long-term care facilities, 235-236, 237 outside of Canada, 221-225 rental apartments, 231-232 retirement homes, 234-235, 237 seniors-only community, 216-217 snowbirds, 217-218

Moving outside of Canada, 221-225 departure taxes, 224-225 giving up Canadian residency, 223-224 government benefits, 225

Ο

OAS, see Old Age Security

Old Age Security (OAS), 32-38 benefits amount, 33 clawback of benefits, 34-37 deferral of benefits, 38 eligibility, 32-33, 37-38 Guaranteed Income Supplement (GIS), 37-38 Allowance benefit, 38 income splitting, 171-175 taxation

non-residents, 34

Р

PA, see Pension adjustment

POA, see Power of attorney

PPN, see Principal protected notes

PRIF, see Prescribed registered retirement income fund

Part-time employment, 122

Passive investments, 130-132

Pension adjustment (PA), 50-51

Pension Benefits Standards Act, 49, 61, 63

Pension benefits standards by jurisdiction, 80-87

Pension income tax credit, 113, 169-170

Pension plans employer provided, 49-90

Pension splitting, 169-171

Phantom stock plan, 69

Phased retirement, see Retirement, see Quebec Pension Plan

Pooled Registered Pension Plan (PRPP), 59-60

Power of attorney (POA) for personal care, 284 for property, 281-283

Prescribed annuities, 139-140 insured annuities, 140-141

Prescribed registered retirement income fund (PRIF), 65-66

Principal protected notes (PPN), 138-139

Principal residence, sale proceeds, 176

Probate rates, 311-312

Probate reduction, 293-298 beneficial ownership, 297-298 designated beneficiary for death benefits, 295 gifting, 294, 301-302 joint ownership, 296

Q

QPP, see Quebec Pension Plan

Quebec Pension Plan (QPP), *see also* Canada Pension Plan amount of benefits, 17, 42 benefits prior to age 65, 22 child rearing provision, 21-22 coordination with CPP, 17 lump-sum death benefit, 28 phased retirement, 25 rates (2021), 43 retirement pension supplement, 25-26 pension sharing, 26-27, 169-171 survivor benefits, 27-28

R

RCA, see Retirement compensation arrangement

REIT, see Real estate investment trust

RPP, see Registered pension plan

RRIF, see Registered retirement income fund

RRSP, see Registered retirement savings plan

Real estate investment trust (REIT), 133

Régie des rentes du Québec retirement pension supplement, 25

Registered annuities, see Annuities

```
Registered pension plan (RPP), 49-60
combination plans, 53-55
commuted value versus monthly pension, 55-58
defined benefit plans (DB), 50-52
maximum benefit amount, 51-52
defined contribution plans, 52-53
hybrid plans, 53-54
flexible plans, 53
"greater of" plans, 54
immediate versus deferred pension, 55
phased retirement, 59
pooled (PRPP), 59-60
survivor benefits, 58-59
types, 50
```

Registered retirement income fund (RRIF), 106-114 beneficiary designations, 110-111 defined, 106 creditor protection, 111-112 maximizing tax-deferred growth, 113-114 minimizing required withdrawals, 113 minimizing tax on income, 179-180 pension income tax credit, 113 prescribed (PRIF), 65-66 spousal, 111 taxation, 109-110, 178 vs registered annuities, 114-115 when to open, 112-113 withdrawal schedules, 107-109 Registered retirement savings plan (RRSP), 98-106 contribution limits, 99-100, 105-106 contributions timing, 102 creditor protection, 111-112 defined, 98-99 locked-in (LIRA), 60-62 overcontributions, 103 qualified investments, 100-102 smooth withdrawals from, 147 spousal plan, 103-105 unused contribution room, 102-103 Rental apartments, 231-232 Residency, Canadian, giving up, 223-225 Retirement changing and aging population, 3-8 current trends, 8-11 flexible and diffuse, 8-10 funding of, 10-11 longer retirement, 8 overview, 1-11 Retirement compensation arrangement (RCA), 70-71 Retirement homes, 234-235 checklist for evaluation, 237 Retirement income sources diversified sources, 11 employer plans, 49-90 employment income, 122-125 government benefits, 15-45

```
personal savings, 93-121
tax-free savings account (TFSA), 93-98
withdrawal strategies, 147
Retirement pension supplement, QPP, 25-26
Reverse annuity mortage, see Reverse mortgage
Reverse mortgage, 120-122
```

SERP, see Supplemental employee retirement plan

SWP, see Systematic withdrawal plan

Segregated funds, 134-136

S

Self-employment, 122-125 income splitting, 124-125 sole proprietorship vs incorporation, 125

Seniors-only communities, 216-217

Severance payments, 71-77 retiring allowance, 71-74 salary vs lump sum payment, 76-77 tax planning considerations, 74-76

Snowbirds, 217-221 income tax issues, 218-221 estate planning issues, 220-221 medical coverage, 218 money management issues, 221

Stock option plan, see Employee stock option plan

Supplemental employee retirement plan (SERP), 69-70

Surviving spouse's benefit, 27-30, 58-59

Systematic withdrawal plan (SWP), 142-143 T

TFSA, see Tax-free savings account

Tax credits, 162-167 age amount, 162-163 disability amount, 164-165, 236 federal and provincial, non refundable, 189-205

home renovation expenses, 166-167 medical expenses, 165-166 pension income amount, 163-164 Tax-free savings account (TFSA), 93-98 income splitting, 94-95 reduce OAS clawback, 36 Tax instalments, 160-161 Tax rates federal and provincial, 185-188 marginal and effective, 182-183 Tax strategies and planning, 159-184 benefit reductions and clawbacks, 183-184 CPP/QPP benefits and splitting, 34-35 reduce OAS clawback, 34-37 RRIF, 36 RRSP. 36 tax efficient structuring of income, 179-180 Tax treaty withholding rates, 206-214 Travel medical insurance, 266-267 Trusts, 286-293 alter ego/joint partner, 290-291 defined, 286-287 inter vivos, 288-290 revocable or irrevocable, 287 testamentary, 292-293 T-Series investment funds, 144 V Voluntary early retirement package, 39 W Where to live, 215-228 moving, 215-225 condominiums, 228-231 cottage or country home, 215-216 income tax issues, 218-221 life-lease facilities, 232-234 long-term care facilities, 235-236, 237 outside Canada, 221-225

rental apartments, 231-232

retirement homes, 234-235, 237 seniors-only community, 216-217 snowbirds, 217-218 staying put, 225-228

Will, 277-281 review checklist, 308-310

Withdrawal strategies, 147-156 sustainable withdrawal rates, 153-156

Withholding tax CPP to non-residents, 18 government benefits, rates on, 44-45 OAS to non-residents, 34 tax treaty rates, 206-214