



# SunSpectrum Registered Retirement Income Fund (RRIF)

## PRODUCT FEATURE SHEET

When it's time to put your savings to work and start receiving an income during your retirement years, a **SunSpectrum** RRIF can be an excellent choice. You withdraw a little each year and the rest remains in the plan, continuing to grow, tax-deferred, at a guaranteed rate of interest.

Life's brighter under the sun





*RRIFs are a good choice for people who are making the transition to retirement and want to start receiving income from their retirement savings.*

*Keep this handy summary sheet for a quick overview of the SunSpectrum RRIF.*

*In 2012, Canadians aged 71 were required to withdraw 7.38% from their RRIFs. That rate rises each year until age 94 when it reaches its maximum rate at 20%. See the chart on page 4 for more details.*

A registered retirement income fund (RRIF) gives you a steady stream of income during your retirement. A RRIF is really a continuation of your registered retirement savings plan (RRSP). Like an RRSP, the money in a RRIF is tax sheltered until you withdraw it. The difference? Rather than making contributions as you do with an RRSP, you must take a minimum amount out of your RRIF each year. A RRIF puts your retirement savings to work – so you no longer have to.

RRIFs are a flexible and tax-smart way to enjoy your retirement savings. You decide how much to take out (subject to legislated minimum requirements – see chart on page 4 for details), when to make the withdrawal and how you want to spend it – whether it's to provide a regular income, pay for travel or make a big purchase.

Plus, a range of guaranteed investment options are available to choose from to help keep your money working for you. And since only the amount you withdraw is taxable income, more of your money stays just where it should – in your pocket.

## PRODUCT DETAILS

### Minimum withdrawal

The Canada Revenue Agency (CRA) sets a minimum amount that you must withdraw from your RRIF each year.

This amount is based on your age and is calculated as a percentage of the value of your RRIF on January 1 each year.

You must make your first withdrawal by the end of the year in which you turn age 72.

### Beneficiary designation

You may choose a beneficiary to receive the balance of your RRIF upon your death.

If you designate your spouse, they may:

- Continue the RRIF as is, but in their own name.
- Transfer the funds to a personal RRIF.

## PRODUCT BENEFITS

**A RRIF offers several advantages for managing your retirement spending.**

**Q: How often am I allowed to withdraw from my RRIF?**

**A:** In general, you get to choose the frequency of your payments (although the options available may depend on the investments you select). You can withdraw as often as you choose, but keep in mind, the more you withdraw, the more taxes you'll pay.

**Q: Can I change the amount of my payments?**

**A:** Yes, as long as you withdraw at least the minimum required. In general, it's better to start off taking out the smallest amount possible so that you'll have less taxable income for the year and more money left in your RRIF that is growing tax-deferred. You can always increase your payment later if you need to.

**Q: Do I have to wait until I turn 71 to set up my RRIF?**

**A:** No. You can get the benefits of a RRIF for your retirement at any age.

**Q: Why should I choose a beneficiary?**

**A:** With a proper beneficiary designation, in most cases the money in your RRIF is paid directly to your beneficiary. This avoids the costs and delays of probate.

## TIP

The CRA requires you to convert your RRSPs to either a retirement income plan (e.g. a RRIF) or cash by the end of the year in which you turn age 71.

If you take the cash, as much as half of it may go to the government in taxes!

But if you roll your RRSP directly into a RRIF, you won't pay any tax until you make a withdrawal.



## TAKE A CLOSER LOOK

Want to get more out of your RRIF? Here are a few tips:

- If you have several RRSPs, you may be able to combine them all into one RRIF.
- Take your RRIF income at the end of the year. This lets your money earn more interest and grow tax-deferred longer.
- If you won't be relying on your RRIF for income, base the minimum withdrawal amount on the age of the younger spouse. This leaves more money earning tax-deferred interest within the RRIF.

## RRIF WITHDRAWAL RATES

Here's how much you are required to withdraw each year:

Age as of Jan. 1	Minimum withdrawal	Age as of Jan. 1	Minimum withdrawal
71	7.38%	83	9.58%
72	7.48%	84	9.93%
73	7.59%	85	10.33%
74	7.71%	86	10.79%
75	7.85%	87	11.33%
76	7.99%	88	11.96%
77	8.15%	89	12.71%
78	8.33%	90	13.62%
79	8.53%	91	14.73%
80	8.75%	92	16.12%
81	8.99%	93	17.92%
82	9.27%	94+	20.00%

Withdrawal rates as of December 2012.

*Questions? We're here to help.*

Talk to a Sun Life Financial advisor today!

For more information and resources: Visit [www.sunlife.ca](http://www.sunlife.ca) | Call 1 877 SUN-LIFE (1 877 786-5433)

We're dedicated to helping you achieve lifetime financial security.

SunSpectrum RRIF is an accumulation annuity issued by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.

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