



RELIABLE. RESOURCEFUL. **REUTER.**



# Group Retirement Plan Information Session

# Introducing Lorna Stewart

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Certified Financial Planner®, Elder Planning Counselor,  
Retirement & Investment Consultant

- Over 30 years experience in financial services
- Focused on investment strategies and transition into retirement for plan members



# Your Retirement Plan: Who's Who

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- Plan Sponsor: Your Employer
  - establish and maintain your group plan
- Retirement Consultant: Reuter Benefits
  - assists with investment and retirement planning
  - provides consulting advice on the plan
- Plan Administrator: Insurance company
  - administers your account
  - holds your assets
  - provides reports and internet access



# Today's Key Questions

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- Why do I need to save for retirement?
- How do I know if I'm saving enough?
- How can I maximize the advantages of my group plan?
  - Save through payroll deductions
  - Pay lower Investment Management Fees
  - Benefit from financial advice

# Understanding Your Plan

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- Defined Contribution Plan  
= you know how much is being contributed
- The value of your plan and income you will receive is not guaranteed
- Value at retirement determined by the amount contributed and investments you choose



# What is the timeline for retirement?

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- When you retire, you must transfer your retirement savings into another registered savings plan
  - If you are eligible, you can choose to start receiving retirement income
  - All amounts withdrawn are taxable



- Contact Reuter Benefits to determine when you can start drawing income
- You **must** start to draw on your registered savings by the end of the year you turn age 71

# Retirement Planning's Two Key Questions

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1. Am I saving enough now to reach the retirement lifestyle I want?
2. Do I have too much risk in my portfolio?



# Reuter Benefits Support

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- Contact Reuter Benefits to
  - Discuss details of your company retirement plan
  - Determine your risk tolerance and review your investments
  - Review your on-line retirement planner, government resources and transition into retirement



# Today's agenda

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- Your Retiral group retirement program
- Impact of Lower Investment Management Fees
- Member resources



# Your Retiral Group Retirement Program

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# Plan Design (RPP)

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|                                 |                                                                                                                                               |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Eligibility                     | <ul style="list-style-type: none"><li>• Full-Time Employees - Immediate</li><li>• Part-Time Employees - Per legislation</li></ul>             |
| Employee Contributions          | Per member booklet                                                                                                                            |
| Employer Contributions          | Per member booklet                                                                                                                            |
| Voluntary Contributions Allowed | Yes. Up to Canada Revenue Agency Maximum                                                                                                      |
| Withdrawals                     | Upon termination of employment or retirement for required contributions per legislation; voluntary contributions may be withdrawn at any time |

# Group RPP Maximum Contribution

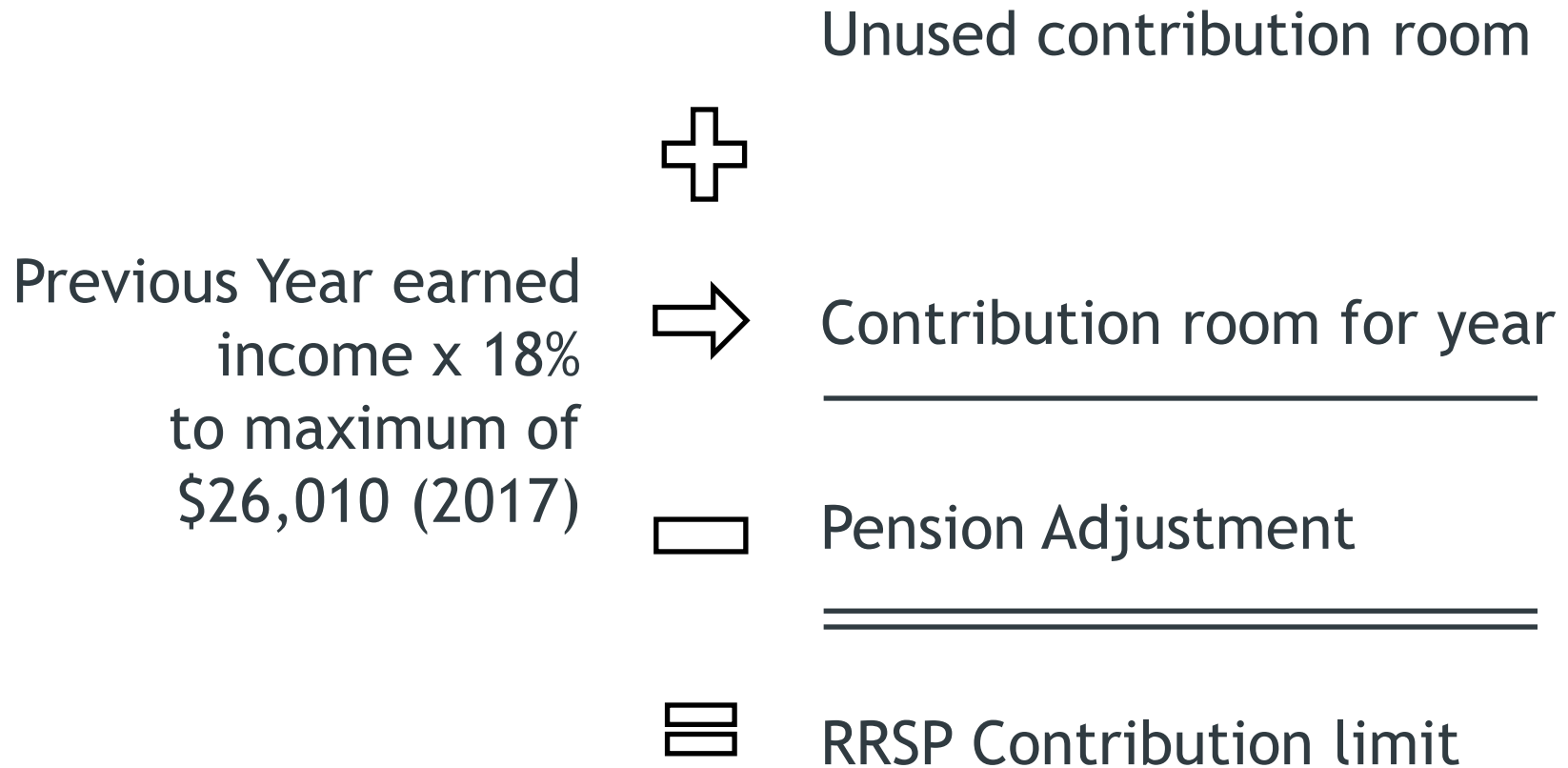
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- Canada Revenue Agency rules
  - 18% of current year's earned income to maximum of \$26,230
  - Employee and employer plus voluntary amounts reported on your T4
  - Amount contributed to RPP reduces your next year's RRSP limit



# Check your Notice of Assessment to Determine your RRSP Maximum

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# Want to Transfer into your Group Plan?

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- Registered Assets can be transferred tax-free into the plan
- Reuter Benefits assists with the paperwork
- Be aware of potential fees charged by the institution doing the transfer



# Portfolio Rebalancing - Default Investment Option

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- The ARF Investment Advisory Committee (IAC) is rebalancing affected member portfolios:
  - Contributions invested on or after October 1, 2017 will be allocated to the Manulife Mawer Canadian Equity Fund (7451) until the asset allocation target has been reached
  - Affected members do not need to do anything to participate in this rebalancing
  - Members should refer to the letter from the IAC



# Investment Performance - Gross Rates of Return as of September 30, 2017

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| Fund Code | Fund Name                  | YTD   | 1 Yr  | 3 Yr  | 5 Yr  | 10 Yr |
|-----------|----------------------------|-------|-------|-------|-------|-------|
| 4142      | ML Fidelity Canadian Bond  | 1.0%  | -2.2% | 3.1%  | N/A   | N/A   |
| 5132      | ML MMF Monthly High Income | 7.2%  | 7.0%  | 7.8%  | 11.2% | 7.7%  |
| 7451      | ML Mawer Canadian Equity   | 6.1%  | 11.8% | 9.4%  | 14.5% | N/A   |
| 9035      | C&MA Foreign Equity        | 11.7% | 10.3% | 14.3% | 17.9% | 8.7%  |



# Impact of Lower Management Fees

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# Lower Investment Management Fees

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- Group fees are lower
  - Lower fee is charged for greater assets (group plan includes *total of all members' contributions and assets*)
  - Management fees on individual plans (e.g. bank RRSPs) calculated based on assets of *one plan only*



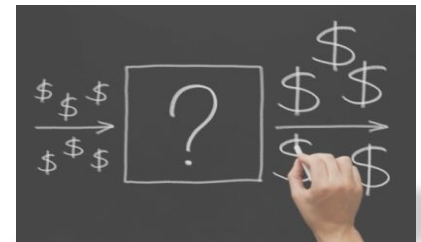
Lower fees help your money grow

# Lower Fees Through Your Group Plan

- Low investment management fees
- Fees range from 0.630% to 0.800% of 1%

| Funds                             | IMF Charged                  |
|-----------------------------------|------------------------------|
| 4142 - ML Fidelity Canadian Bond  | 0.630%                       |
| 5132 - ML MMF Monthly High Income | 0.630%                       |
| 7451 - ML Mawer Canadian Equity   | 0.630%                       |
| 9035 - C&MA Foreign Equity        | Tiered from 0.550% - 0.0800% |

- Approximately 2% less than individual mutual fund plans



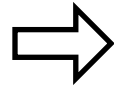
# What does it cost if you pay 2% more?

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Account Balance = \$50,000

*Individual* plan fee

\$50,000 x 2.6%



\$1,300

*Group* plan fee

\$50,000 x 0.6%



\$ 300

Cost to you  
of choosing  
*individual* plan

\$ 1,000



# What does a 2% difference mean to your total retirement savings over time?

|                      | Group Plan | Individual Plan |
|----------------------|------------|-----------------|
| Gross Rate of Return | 4%         | 4%              |
| IMF                  | 0.6%       | 2.6%            |
| Initial Savings      | \$50,000   | \$50,000        |
| Annual Savings       | \$6,000    | \$6,000         |
| Years of Growth      | 25         | 25              |
| Accumulated Value    | \$345,956  | \$248,907       |
| Difference to you    | \$97,049   |                 |

# Member Termination Options

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- You can maintain your existing investments in the ARF plan by transferring to the Reuter Group RRSP (C&MA Division) with Manulife Financial
  - Spouses may also enroll in this plan
- Investment Management Fees are lower than an individual plan:
  - C&MA Foreign Equity - 0.650% - 0.900%
  - Other funds - discounted according to account balance

| Member account balance | Adjustment to IMF |
|------------------------|-------------------|
| \$0 - \$39,999         | 0                 |
| \$40,000 - \$59,999    | -0.12             |
| \$60,000 - \$99,999    | -0.18             |
| \$100,000 - \$249,999  | -0.24             |
| \$250,000+             | -0.30             |

# Group Retirement Income Plan Options

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- You can continue to access the ARF fund managers through the Reuter Group Retirement Income Plan with Manulife Financial
- Investment Management Fees are discounted for account balances of \$25,000 or more

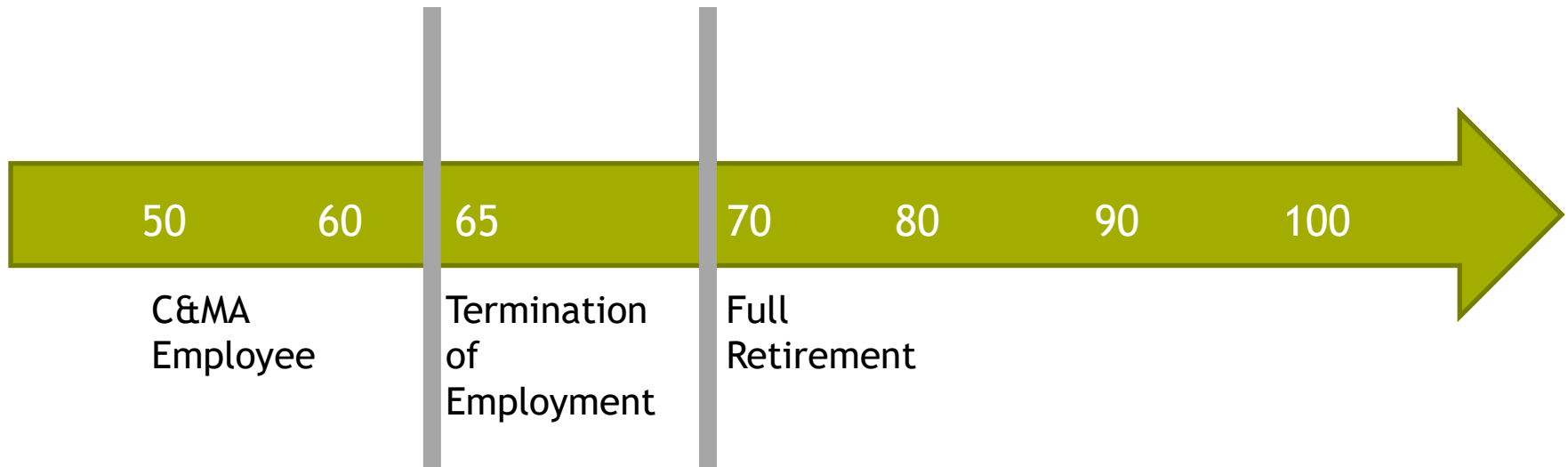


# Group Membership Advantages

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As a group plan member, you can continue your access to

- ARF fund managers
- Lower fees
- Reuter Benefits support and member services





# Member Resources

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# Online Access to your Plan

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- Mobile app
- Secure member website
  - View and make changes to your account
  - STEPS Retirement Program®
  - Member statements visible online

# Steps Retirement Program®

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- Available on the secure Manulife member website
- Enables you to identify your retirement income goal and determine if you are on track to meet it
- See the impact of potential changes to:
  - Your retirement age
  - Income goal
  - Savings strategy

# Transition into Retirement

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New life  
New life  
New life

New life

Retirement

Old life

# Preparing to Transition into Retirement

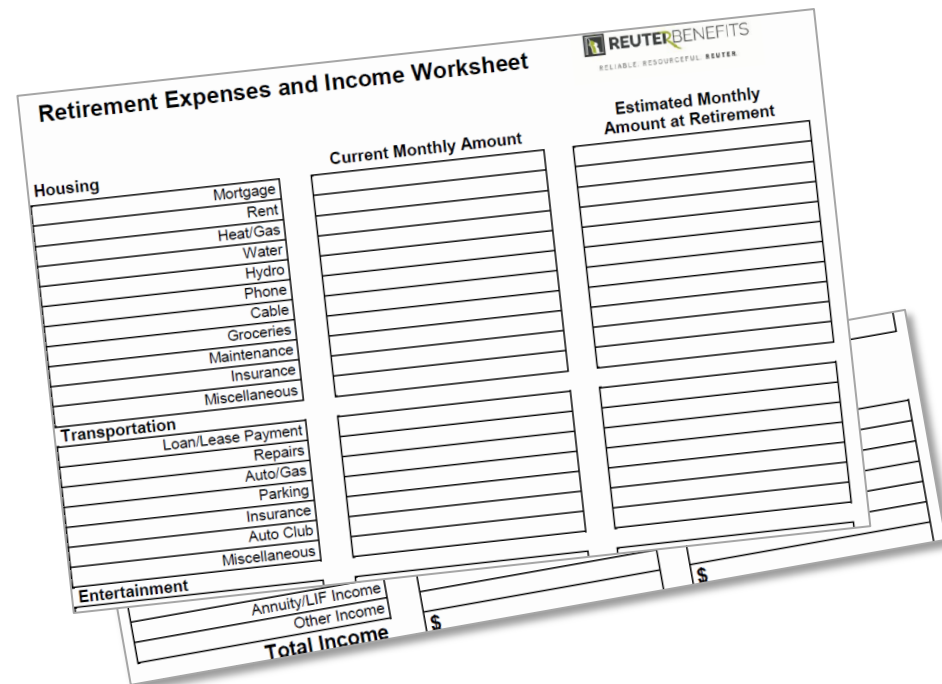
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- Identify Expenses
- Identify income from
  - Government sources
  - Spouse's pension and savings
- Determine amount needed to withdraw from company pension and savings plans
- Request illustration from Reuter Benefits to show income flow → how long the funds will last



# Identify Expenses: Budget Worksheet

- Use the Reuter Benefits worksheet as a custom retirement planning tool
- Once completed, contact Reuter Benefits to discuss!



The worksheet is titled "Retirement Expenses and Income Worksheet" and features the Reuter Benefits logo in the top right corner. It is organized into three main sections: Housing, Transportation, and Entertainment. Each section has a list of expense categories on the left, a column for the "Current Monthly Amount" in the middle, and a column for the "Estimated Monthly Amount at Retirement" on the right. The Housing section includes categories like Mortgage, Rent, Heat/Gas, Water, Hydro, Phone, Cable, Groceries, Maintenance, Insurance, and Miscellaneous. The Transportation section includes Loan/Lease Payment, Repairs, Auto/Gas, Parking, Insurance, Auto Club, and Miscellaneous. The Entertainment section is partially visible. At the bottom, there are fields for "Annuity/LIF Income", "Other Income", and "Total Income", each followed by a dollar sign (\$).

| Retirement Expenses and Income Worksheet |                    | REUTER BENEFITS<br>RELIABLE. RESOURCEFUL. REUTER. |                                        |
|------------------------------------------|--------------------|---------------------------------------------------|----------------------------------------|
|                                          |                    | Current Monthly Amount                            | Estimated Monthly Amount at Retirement |
| Housing                                  | Mortgage           |                                                   |                                        |
|                                          | Rent               |                                                   |                                        |
|                                          | Heat/Gas           |                                                   |                                        |
|                                          | Water              |                                                   |                                        |
|                                          | Hydro              |                                                   |                                        |
|                                          | Phone              |                                                   |                                        |
|                                          | Cable              |                                                   |                                        |
|                                          | Groceries          |                                                   |                                        |
|                                          | Maintenance        |                                                   |                                        |
|                                          | Insurance          |                                                   |                                        |
|                                          | Miscellaneous      |                                                   |                                        |
| Transportation                           | Loan/Lease Payment |                                                   |                                        |
|                                          | Repairs            |                                                   |                                        |
|                                          | Auto/Gas           |                                                   |                                        |
|                                          | Parking            |                                                   |                                        |
|                                          | Insurance          |                                                   |                                        |
|                                          | Auto Club          |                                                   |                                        |
|                                          | Miscellaneous      |                                                   |                                        |
| Entertainment                            |                    |                                                   |                                        |
| Annuity/LIF Income                       |                    | \$                                                |                                        |
| Other Income                             |                    | \$                                                |                                        |
| Total Income                             |                    | \$                                                |                                        |

# Where will your money come from?

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## Government programs

- Canada Pension Plan (CPP)
- Old Age Security (OAS)



## Your company retirement plan

- Group Retirement Program



## Your personal savings

- Individual RRSP
- Non-Registered Plan



# Determining Government Pension Income Amounts

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Contact Service Canada

- Telephone 1-800-277-9914
- Visit the Service Canada website at [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca)
- Use the Service Canada online Retirement Income Calculator



# Types of Retirement Income Plans

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- Registered Retirement Income Fund (RRIF) - RRSP savings
- Life Income Fund - pension savings
- Annuities - Pension/RRSP/non-registered savings



# Cash Cushion Strategy

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- Help prevent losses due to market fluctuations with Guaranteed Investments
  - Conservative investors → 30% Guaranteed Investments
  - Moderate investors → 20% Guaranteed Investments
- What's the Advantage?
  - You can choose to draw on Guaranteed or Market-based investments when you start to receive income, based on investment performance and markets



# Next Steps

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- Contact Reuter Benefits to better understand your group plan and options available
- Take a look at your savings goals
  - Are you on track?
- Review your investment strategy
  - Is it still right for you?



# Reuter Benefits Recommendations

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- **5+ years from retirement?**
  - Complete the on-line planner
- **Fewer than 5 years from retirement?**
  - Complete the budget worksheet and ask us for retirement income illustration
  - Contact us to review your investments to ensure your risk level is appropriate given your timeline to retirement
  - Make an appointment to meet with Reuter Benefits if planning to retire within a year



**REUTER***R*BENEFITS

15 SHELDON DRIVE, UNIT 4  
CAMBRIDGE, ON N1R 6R8

**1.800.666.0142**

[www.reuterbenefits.com](http://www.reuterbenefits.com)



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