



## MONEY FOR LIFE<sup>1</sup>

A life Annuity provides income for life. **GUARANTEED. PERIOD.**<sup>2</sup>

No worries about market fluctuations, interest rates and how long you live.

Would that appeal to you?

Would it bring you peace of mind?

An annuity is purchased with capital from your investment account. We never recommend using all your capital to invest in an annuity. The **income from an annuity will always be substantially higher** than returns from GICs, bonds or fixed income investments.

The ideal is to provide sufficient income along with the CPP/QPP and OAS to cover your **basic** expenses. By allocating a portion of your portfolio to an annuity, the remainder of your investments can be invested in growth products. Additional cash needs can be covered by these investments.

Registered funds are fully taxable on withdrawal, but a non-registered prescribed annuity has the benefit of a **preferential tax treatment** which will greatly enhance your after-tax cash flow.

Normally, we recommend annuities for older ages as payout income will increase with age. But annuities can be appropriate for younger ages as well. **New legislation will be coming out in January 2017, which will reduce payouts and increase taxable portions. So, we are recommending that our clients consider taking their annuities under the existing regime rather than waiting.**

Remember that the first \$2000 of pension income at age 65 and over is **non-taxable**. The taxable portion of prescribed annuities also qualify.

There are several options with annuities: guaranteed payment periods, indexing, and joint annuities.

Let's discuss your options!