



Retiring

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Planning for a Secure Retirement

The Future

With modern medical advances and increased standards of living, people can plan on spending one quarter of their lives in retirement. Everybody has heard it before: It's never too early to start saving for your retirement. It's true. The effect of compound interest is significant.

Let Us Help

At First Credit Union, our people can help you organize your finances so your retirement will be secure. Ask us about our RRSPs and Term Deposits.

Saving and Investing for Retirement

You've saved up for your golden years, but now that you're retired, what do you do with your money? Learn about RRIFs and reverse mortgages and ask First Credit Union if these may be the right moves for you.

RRIFs

A RRIF is basically a RRSP in reverse. You put money into RRSPs while you were working to save on taxes every year. When you eventually switch your money over to RRIFs, you'll be drawing money out, and paying taxes on that money as you do.

Reverse Mortgages

This is simply a loan against your house that you don't have to pay back as long as you live there. To qualify you must be 62 years or older and own your own home.

Find Out More

First Credit Union can help you learn more about reverse mortgages RRIFs, and other annuities. Doing your homework and consulting the right advisors will make it easier to select any option that may make your retirement more comfortable.



Insurance During Retirement

It's just as important to have your assets protected when you're retired as it was when you were a full-time wage earner. Consider some insurance changes you may need to make.

Being Protected

All your life you were a wage earner and you made sure that if anything happened to you, your family would be able to continue living the same lifestyle that they were used to. But once you retire, it's still important to think about protecting your assets. First Credit Union can help you ascertain whether or not you have the right type, and amount, of insurance to let you and your family rest easy.

Life Insurance

A good life insurance policy will cover many of the expenses and concerns that will arise when you die. It will protect your assets for your heirs and continue any income for the people who depend on it. It will also cover funeral costs, legal and executor fees, as well as pay any taxes you owe at death.

Health Insurance

Just as with life insurance, you'll benefit greatly from obtaining a health insurance policy early. This type of coverage can be a great help if you become sick and need special medical care. A good policy can help cover the costs of prescription medications or any medical supplies you need. It will also cover extended hospital stays and any special home care that you may require.

Know Your Needs

Make sure you choose the policies that are right for you and your family, and don't get talked into getting more than you need. First Credit Union can help you find good insurance coverage you can afford.



Pension Maximization

If you're a Canadian wage earner over 18 years of age, you're eligible to receive a pension from the federal government. Find out more about how this applies to you.

Canada Pension Plans

Every Canadian over the age of 18 that earns a wage has contributed money toward the Canada Pension Plan. This is an earnings related social insurance program designed to help people and their families financially after they retire, become disabled or die. It ensures that all contributors are protected.

Pension Credits

How much money you'll receive from the Canada Pension Plan depends on the amount of pension credits you build up. These credits are based largely on the total amount of money you contribute. The higher your annual salary and the more years you work between age 18 and retirement, the larger your pension will be.

Couples

In the event of divorce, the pension credits earned as a couple can be evenly split, even if one spouse or common-law partner did not pay into the Canada Pension Plan. A retired couple can also share pension credits for tax purposes, if one of their pensions is significantly higher than the other.

Receiving Payment

You will begin receiving pension payments when you retire, or any time you become disabled and are no longer able to work. If you choose to retire in another country, you are still able to receive your pension, paid in Canadian dollars, anywhere in the world.

Other Benefits

If you're over 65 you may qualify for the Old Age Security Act. If you're between 60 and 65 and married or widowed you may be eligible for an Allowance. If you're living on a low-income, you may also be able to receive a Guaranteed Income Supplement. Information on these and other federal and provincial programs is available through Human Resources Development Canada.