



Fall/Winter Newsletter 2011-2012

Canadian Entertainment Industry Retirement Plan

helping members Retire with Dignity

YOUR ROADMAP TO RETIREMENT

Managing your retirement nest egg requires plenty of patience, discipline, strategy and knowledge. It's a lengthy journey for most people. A marathon as opposed to a sprint with each decade building on the previous ones. The question is how to get started and what are the steps needed to ensure a long, fruitful and happy retirement. The five decades outlined below provide a snapshot on some of the things you need to do to for your retirement. Go to the CEIRP website to read each full article www.ceirp.ca.

The 20s: Getting started

- **Accumulate your "human capital".**
- **Develop sound financial habits.**
- **Repay student and consumer loans.**

Develop and maintain a keen interest in the direction of your finances. Always asking "what is best for me and my family." Following major business and news trends helps. If possible, find objective sources of advice for your situation.

The 30s: Build your fortress

- **Pursue your passions, such as a business or career.**
- **Learn the ropes of successful investing.**
- **Amass financial assets worth 2 to 3 times your family income.**

Start paying yourself a little extra through savings or RRSPs- like 5% or 10%. Your debt load will likely expand, so be careful about affordability. Above all, have a simple plan to pay it off. Learn to deal with possibilities of needing cash on very short notice. Accumulating a 3 to 6 month "emergency fund" helps cover financial surprises like a medical emergency or job loss.

The 40s: Serious money investing begins

- **Get serious about your saving and investing.**
- **Pay off your debts.**
- **Accumulate investment assets worth 4 to 5 times your family income.**

A desirable strategy is to continue developing your "human capital". Many in their 40s are approaching the potential for high remuneration. Thus, it's time to first pay yourself a substantial raise, start by saving up to 20% of family income. The next decade moves your retirement plan to top priority.

The 50s: Get serious about building your retirement portfolio

- **Get a firm handle on your capital needs for a comfortable retirement.**
- **Building your retirement portfolio becomes priority one.**
- **Accumulate investment assets of 6 to 10 times your family income.**

Get serious. These are the critical years for the big push to accumulate your nest egg. Develop hobbies you want to pursue, both on your own and with your family. As a minimum, ensure your estate planning includes a current will and power of attorney.

The 60s: Contemplating your retirement

- **Prepare the smooth transition to what retirement means for the family.**
- **Accumulate all of your retirement capital.**
- **Recheck your capital needs to fund a comfortable retirement.**

Most retirees take 2 to 5 years to fully adapt to the new lifestyle. There will be a series of significant adjustments from working to implementing retired life. Get to know your "safe draw down" rate from your portfolio and be flexible. Drawing more than 4% per year may be a bigger stretch than the finances can stand. Developing 5-year road maps within the money comfort works for many.

CEIRP

National Plan Office
Lorraine Allen, Plan Mgr.
22 St Joseph Street
Toronto, ON M4Y 1J9
Phone: 416-362-2665
Fax: 416-362-2351
E-mail: admin@ceirp.ca
www.ceirp.ca

UNDERSTANDING GOVERNMENT BENEFITS



Government benefits play a role in your retirement income. In Canada there are two benefits that make up the retirement system.

Canada Pension Plan (CPP)/Quebec Pension Plan (QPP)

CPP/QPP are contributory plans. If you've made one payment to the CPP/QPP plan, you qualify to collect a benefit. The benefit you receive is based on how much, and for how long, you contributed. The pension is designed to replace about 25% of the earnings on which you paid into the Plan. You are eligible for normal CPP at age 65. However, you can collect the CPP as early as age 60 but at a reduced amount. Any amounts you receive under CPP/QPP must be reported on your income.

The highest amount of CPP/QPP you can receive is \$960/month. The average CPP/QPP benefit is \$512.33. Your retirement pension does not start automatically. **You must apply for it.**

Old Age Security (OAS) / Guaranteed Income Supplement (GIS)

There are three factors the Government uses to determine if you can receive the OAS pension: your age, your legal status, and the number of years you have lived in Canada. You should apply for the Old Age Security pension six months before you turn 65, or when you receive an Old Age Security Application form. The GIS provides additional money, on top of the OAS pension, to low-income seniors living in Canada. To be eligible for the GIS benefit, you must be receiving the OAS pension and meet the income requirements. Income received from OAS is taxable and income received from the GIS is non-taxable.

Your OAS does not start automatically. **You must apply for it.**

Please visit the Service Canada website at www.servicecanada.gc.ca for information on any of these programs or to access you're my Service Canada Account.

Contacting Great-West Life

Contact Great-West Life for any of the following:

- Logon ID and password
- Missing tax receipts
- To arrange to speak with an Investment Advisor

Call: 1-800-724-3402

The GRSAccess site will provide you with an up-to-date account balance as well as investment reports and reviews. You can even update your contact information online.

Logon at www.grsaccess.com.



Did you know

- 18% of Canadians think they'll run out of retirement funds in 10 years
- Only 39% of Canadians in the 18 to 34-year age bracket have an RRSP
- The number of persons aged 65 years and over doubled between 1981 and 2009 and will double again by 2036
- There will be more seniors than children (under 15 years) in Canada for the first time ever, sometime between 2015 and 2021.