

Savings and
Investments

Advisors – Registered Retirement Income Fund (RRIF)

Maximum flexibility
for retirement savings



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Is your client ready for retirement?

When retirement finally arrives, a considerable number of important decisions about such things as living arrangements and new leisure activities, as well as their priorities typically need to be made. But one of the first decisions your clients will need to make concerns their financial future. What should be done with the savings accumulated over the years in retirement savings plans?

There are numerous financial products and options available that will modify the nature of the portfolio. The choices that are made ultimately depend on the personal asset management style of each investor.

If your clients want to retain control over their investments, the Registered Retirement Income Fund (RRIF) and its locked-in versions (LIF, LRIF and PRRIF) are ideal choices.

RRIF plans: for maximum flexibility

The Registered Retirement Income Fund (RRIF) and its locked-in versions (LIF, LRIF and PRRIF) are registered retirement products that allow for the reinvestment of equity while also offering various benefit options. Investors receive regular income payments while maintaining the opportunity, in some cases, to withdraw additional amounts as needed.

In addition, RRIFs provide investors with a great deal of flexibility so that they can review their investment portfolio mix from time to time to make sure it corresponds to their financial objectives.

Principal features of RRIFs

	RRIF	Locked-in RRIF (LIF, LRIF and PRRIF)
Source of investment amounts	<ul style="list-style-type: none"> Registered retirement savings plan (RRSP) Non-locked-in amounts from a simplified pension plan (SIPP) or registered pension plan (RPP) Deferred profit sharing plan (DPSP) Other RRIF 	<ul style="list-style-type: none"> Registered pension plan (RPP) Locked-in amounts from a simplified pension plan (SIPP) Locked-in RRSP (LIRA, LRSP, RLSP) Other locked-in RRIF under the same legislation
Taxation	Invested funds continue to generate a tax-free return Payments are taxable	
Minimum Investment	\$5,000	
Investment options	<ul style="list-style-type: none"> Full range of compound interest GIAs—both short and long term—with enhanced rates on higher amounts Choice of approximately 42 investment accounts offering comprehensive solutions for all investor profiles Over 40 Guaranteed Investment Funds (GIFs) managed by renowned money managers, several of whom are pension plan managers 	
Guarantee options	Investment Accounts The capital guaranteed percentage depends on the moment of contributions <ul style="list-style-type: none"> Before the age of 75 years old: 100% From the age of 75 years old: 75% 	Segregated funds <ul style="list-style-type: none"> Basic guarantee (75% at maturity, 75% upon death) Enhanced guarantee (75% at maturity, 100% upon death) Optimal guarantee (100% at maturity, 100% upon death)
Payment options	<ul style="list-style-type: none"> Minimum income Fixed income Level income 	<ul style="list-style-type: none"> Minimum income Fixed income Level income (FRRP) Maximum income (LIF or LRIF)
Bank deposits	<ul style="list-style-type: none"> Direct deposit in the client's bank account on the day and frequency chosen (weekly, every two weeks, monthly, every two months, quarterly, semi-annually or annually) Minimum transaction amount is \$100 	
Investment withdrawal order	<ul style="list-style-type: none"> All investment withdrawal orders specified by investors are possible, whether it be from redeemable GIAs, investment accounts or GIFs 	
Lump-sum redemptions	Unscheduled lump-sum redemptions are permitted at any time provided that the plan and the investment vehicle selected allow it (redemption fees may apply)	

Different benefit options

Different options allow investors to withdraw funds from their RRIF or LIF¹:

Minimum income

The minimum income RRIF and locked-in RRIF allow your clients to retain as much tax-sheltered income as possible for future needs. They need only withdraw the minimum income prescribed by law².

Fixed income

The fixed income RRIF and locked-in RRIF provide income stability. The investor determines the amount of the annuity (greater than the minimum annual amount) according to different criteria (such as needs, type of investment, etc.). LIF and LRIF payments are subject to the maximum amounts permitted by law².

Level income (RRIF or PRRIF)

With the level income RRIF or PRRIF, investors can spread out total income over a fixed period of time. This means that their income is distributed equally over the desired number of years.

Maximum income (LIF or LRIF)

The maximum income LIF or LRIF allows investors to withdraw the maximum amount of income possible to meet current financial needs. Your clients can therefore withdraw the maximum income prescribed by law².

Below is an example of a person retiring at age 65 who invests \$100,000 for a 5-year term.³ The average monthly payments and residual value at the end of five years are as follows:

	Average monthly payment	Residual value after 5 years
Minimum Income	\$354	\$93,000
Fixed Income	\$500	\$83,600
Level Income (RRIF or PRRIF)	\$1,791	\$0
Maximum Income (LIF or LRIF)		
Manitoba, Quebec and Nova Scotia	\$567	\$79,200
British Columbia, Alberta, Ontario, New Brunswick and Newfoundland and Labrador	\$582	\$78,200
Federal	\$476	\$85,100

¹ Subject to the limits stipulated in the *Income Tax Act* and applicable pension legislation.

² The minimum and maximum annual income rules are established at the beginning of the year as a percentage of the residual value of the RRIF or the locked-in RRIF and are based on the age of the annuitant or spouse. In some jurisdictions, it is possible for anyone retiring before age 65 to ask for a temporary income that will allow them to withdraw amounts higher than the maximum income before age 65.

³ The examples provided are valid as of January 1, 2023, and are based on the assumption of a 3% rate of return, whether placed in GIAs or in funds. This return is not guaranteed and may vary.

Investments that match the client

The RRIF allows clients to choose the mix of investment products that will best meet their retirement needs and specific objectives. They may invest in the investment accounts, the investment funds (GIFs) or guaranteed interest accounts (GIAs), in order to continue to obtain a return on investment even if the withdrawal period has begun.

Investment options

Guaranteed interest accounts (GIAs)	<ul style="list-style-type: none">• Redeemable GIA• Non-redeemable GIA Non-redeemable GIAs are not eligible for periodic or lump-sum redemptions.• High Yield Account• Equity Index GIA
Investment Accounts	A wide array of accounts is available offering many asset categories and management styles.
Guaranteed Investment Funds (GIFs)	The complete range of GIFs is offered, including many portfolio funds and alternative asset classes.

Which guaranteed interest account (GIA) to choose?

Depending on the income needed every year, the GIAs offer different possibilities.

- Rates offered are posted every week on our website.
- The GIAs are automatically renewed at maturity offering the same features and the same duration, unless instructed otherwise.

Redeemable GIA	The redeemable GIA allows you to make cash redemptions. However, redemption fees (adjustment to market value) may apply, unless the GIA has reached maturity.
Non-redeemable GIAs	<ul style="list-style-type: none">• It is possible to have non-redeemable GIAs and thus obtain a higher interest rate, but these GIAs cannot be redeemed (periodic or lump-sum redemptions)
High Yield Account	<ul style="list-style-type: none">• The High Yield Account is a redeemable investment which works as a savings account. Interest rates are usually higher than for traditional savings accounts• This is a great alternative to the money market fund for funds awaiting investment
Equity Index GIA	<ul style="list-style-type: none">• The Equity Index GIA offers higher potential returns than traditional GIAs, while providing a death and maturity guarantee.• Returns are tied in part to an index.

Which investment accounts to choose?

These investment accounts are similar to mutual funds. A wide array of accounts is available based on the six asset categories:

- Fixed income
- Balanced
- Canadian Equity
- American and international Equity
- AGF Portfolios
- Dynamic Portfolios

Which guaranteed investment fund (GIF) to choose?

The client may choose from among the wide range of GIFs, from income funds to specialty funds, and including balanced funds, index and Canadian or foreign equity funds.

- Income funds
- Balanced funds including four Beneva Strategy GIFs and four Beneva Celestia GIFs
- Canadian equity funds
- Foreign equity funds
- Specialty funds including global infrastructure and real estate
- Index funds

For each GIF, the investor can withdraw up to 10% of the invested fund's market value in cash with the commission chargeback option – Advisor chargeback

Choice based on the investor profile

If clients do not wish to spend a lot of time monitoring the markets and their portfolio, or if they aren't familiar with investing, then the diversified funds like our **Beneva Strategy GIFs** and **Beneva Celestia GIFs** or our investment accounts portfolios (AGF or Dynamic) are an excellent way of hedging against market risks. These products are backed by a team of professional managers with a variety of investment styles who invest in a wide range of products and who monitor these investments.

Each Beneva Strategy GIF and Beneva Celestia GIF is designed to cater to a specific investor profile and includes a combination of specially selected investment vehicles and fund managers. These funds allow investors to automatically benefit from an asset mix carefully selected by expert fund managers to diversify each portfolio and maximize long-term investment growth.

The *Investor profile* will help guide your clients through the world of investment funds and help them choose the GIF that suits them best.

For more information,
go to **beneva.ca**.

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