

# Retirement Protection

## Keep your retirement savings for the future ... not for medical bills

Because even the best-laid plans can go off track  
without the right protection

### **Here's the problem**

You work hard to achieve personal and financial goals during your lifetime. These include accumulating savings and investments to provide you with a comfortable retirement. But if you have to draw on your savings to pay for unexpected costs resulting from an illness, your retirement plans can be at risk.

What would happen if you had a heart attack, stroke or were diagnosed with cancer? Treating and coping with a serious illness can mean significant costs which may not be covered by provincial or basic employee health plans.

For many of us, this could mean depleting retirement savings to finance our recovery. Wouldn't it be comforting to know that you can put protection in place today to help ease the burden of a serious illness on your family and reduce its impact on your retirement plans?

### **What are your options?**

To create an effective plan, you need to first understand the issues, then consider your options and finally, implement the solution that will best protect both you and your family.

To deal with unexpected costs resulting from a serious illness, you or your family will typically:

- Withdraw funds from your savings plans or investments, or
- Purchase critical illness insurance now to provide funds if you are diagnosed with a covered condition in the future

### **Are you a candidate?**

You may want to consider a critical illness insurance policy, if you:

- Are a Canadian-resident taxpayer and in good health
- Have or are accumulating retirement savings that may include:
  - registered investments
  - non-registered interest-bearing investments including savings accounts, term deposits, mutual funds, etc.
- Have a strong desire to ensure a potential health issue doesn't impact your retirement savings/planning



## An example

**Suppose you are**  
a male, age 40, non-smoker:

### Current investment balance:

Registered savings	\$100,000
Non-registered savings	\$10,000

### Planned annual deposits:

Registered savings	\$5,000
Non-registered savings	\$1,000
First year Lifecheque premiums	\$1,738.80*
Marginal tax rate	35%

### Before tax rate of return:

Registered savings	6%
Non-registered savings	3%
Age at which critical illness will occur:	45
Estimated cost of critical illness	\$100,000
Planned retirement age	65
Retirement income needed to age	83
Assumed life expectancy (age)	83

\* Lifecheque, Primary with Return of Premium at Expiry (ROPX) rider,  
\$100,000 coverage amount

## The impact

Scenario	Total net assets at retirement age (65)	After tax annual retirement income
If you don't have coverage and don't become ill	\$724,958	\$43,664
If you don't have coverage and become ill	\$324,235	\$19,568
If you have coverage but don't become ill	\$711,091	\$42,709
If you have coverage but become ill	\$704,918	\$42,317

## The best solution

While no one wants to think about suffering a critical illness, it could happen. And if it does, the financial impact could be devastating. By protecting yourself with critical illness insurance, you are really protecting your income and savings, so you can focus on getting better without worrying about derailing your retirement plan.

## Lifecheque® critical illness insurance: helping you focus on what really matters – getting better

With five plans to choose from, Lifecheque is one of the most comprehensive critical illness insurance plans available today. With Lifecheque's coverage, you can:

- Receive a lump-sum benefit if diagnosed with one of 24 covered conditions and you satisfy the waiting period
- Have additional long term care protection that's built right into the policy
- Receive a benefit for the early stages of some illnesses with the Early Intervention Benefit
- Get fast access to money with the Recovery Benefit