

Retirement Planner Calculator

Successful retirement is an active ongoing process of choosing retirement goals and activities that can be realistically attained. Planning is not creating some far-fetched fantasy; it's the groundwork for consistent fulfillment. One of the on-line planning tools available to you as a valued group retirement plan member is a dynamic and interactive calculator called "Retirement Planner" and is available in the Life Events Planner. The Retirement Planner calculator is designed to assist you in assessing your current situation and to assist you in enjoying a retirement where your pre-retirement quality of life is maintained.

To access this retirement planning tool, go to www.cumis.com and click on the Life Events Planner icon at the bottom of our home page and then click on the Life Events Calculators icon. The Retirement Planner is in the Retirement section of the Fact Access Calculators. Input your information and the tool will complete the calculations for your own unique scenario.

Retirement Plan

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| Current age: 40 | Age of retirement: 65 |
| Gross annual income: \$50,000 | Current retirement savings: \$100,000 |
| Rate of return before retirement: 8.00% | Rate of return during retirement: 6.00% |
| Percent of income to contribute: 8.00% | Expected salary increase: 3.00% |
| Years of retirement income: 35 | Percent of income at retirement: 70% |
| Monthly company pension: \$0 | Monthly CPP or QPP pension: \$960 |
| Monthly OAS: \$524 | Begin CPP or QPP at age: 65 |
| Expected rate of inflation: 3.10% | |

Your plan is on track.

Adjust for inflation: Company pension CPP or QPP pension OAS pension

Do you know what it will take to create a secure retirement? Use this calculator to help you create your retirement plan. View your retirement savings balance and your withdrawals for each year until the end of your retirement.

To use the calculator, input the following details, and note that definitions for various terms are provided below the calculator:

1. Your current age.
2. Your anticipated age at retirement (if you are unsure, leave it at 65).
3. Your current annual gross salary (earnings before taxes).
4. Your total retirement savings to date including all assets under your employer plan and individual RRSPs (don't forget to include your Tax Free Savings Account balances if you are using your TFSA for retirement savings).
5. Estimated rate of return before retirement (use a realistic return depending on your investor profile – up to 4% for conservative investments, between 4% and 6% for a balanced portfolio and between 5% to 8% for an all equity portfolio over the long term).
6. For rate of return during retirement, you may want to choose a conservative return of 2% to 6%.
7. Input the % of your annual income you and your employer are saving toward your retirement.
8. Input your expected annual salary increase.
9. For years of retirement income, input the total number of years you expect to use your retirement income.
10. Input % of income you would like to receive throughout your retirement.
11. If you are or have been a plan member a defined benefit pension plan, input the expected benefit amount under monthly company pension box. Leave at \$0 if not applicable.
12. We have indicated the maximum CPP benefit amount in this box but we encourage you to check your own CPP Statement of Contributions for the amount.
13. Monthly Old Age Security is available to most Canadians 65 and over.

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14. Input the date you expect to apply for your CPP benefits. Age 60 is the earliest and 70 is the latest.
15. For expected rate of inflation, pick the rate you expect during your lifetime. We have input 3.10% as the average long term rate in Canada.

Once you input your individual numbers, click on the "Calculate" and "View Report" buttons to review your results. The Planner will indicate whether you are on track or not. We encourage you to use the Planner at least once a year to keep track of your progress and make adjustments along the way.

Retirement Planner is one of 31 stand alone Life Events Calculators available through the CUMIS website, but for a more in-depth process of creating your personalized financial and retirement plan, we encourage you to utilize the on-line Life Events Financial Planner. This program allows you to go step-by-step through the financial planning process and address topics such as: net worth, budget, life insurance, disability insurance, RESP, risk tolerance, retirement planning, RRIF and estate planning. To access Life Events Planner, go to www.cumis.com and click on the Life Events Planner icon at the bottom of our home page and then click on the Life Events Financial Planner.

Please keep in mind that information and interactive calculators are made available to you as self-help tools for your independent use and are not intended to provide investment advice. We cannot guarantee their applicability or accuracy in regards to your individual circumstances. All examples are hypothetical and are for illustrative purposes. We encourage you to seek personalized advice from qualified professionals regarding all personal finance issues.



Correction to Canada Pension Plan (CPP) changes coming our way!

We apologize for some incorrect information indicated in our January 2011 Newsletter on Canada Pension Plan changes coming our way. Below is the corrected information.

Starting in 2012, if you are under age 65 and you work in Canada while receiving your CPP retirement pension, you and your employer will have to make CPP contributions. Between the ages of 65 and 70, you can either choose to make contributions or opt out. If you choose to make contributions, your employer will have to contribute. These contributions will increase your CPP benefit through the new Post-Retirement Benefit.

Harmonized Sales Tax (HST) *Reminder*

Back in July 2010, provincial sales tax in British Columbia and Ontario was combined with the federal goods and services tax (GST) to form the new harmonized sales tax (HST). New Brunswick, Nova Scotia and Newfoundland and Labrador also made related changes on July 1, 2010.

As a result, plan members in HST provinces, or members who belong to a plan sponsor who is located in an HST province have seen an increase in the monthly deductions of CUMIS Life's Investment Management Fees (IMFs) to reflect the HST increase.

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At CUMIS Retirement Services, we welcome your feedback and are happy to answer any questions you may have.

Please call, e-mail or write to our Customer Service Contact Centre at:

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