

RRIFs provide flexibility for your income after 71

If you have saved for your retirement through an RRSP or another registered plan, then — prior to your 71st birthday — you must select a recognized retirement vehicle to keep your savings tax-sheltered. Of course, you could choose instead to collapse your RRSPs and take the cash, but that would normally be unwise because it would substantially raise your income and your tax bracket for that year.

There are two categories of post-RRSP retirement vehicles

available to you. Both allow you to continue the tax-sheltering which allowed your RRSP to grow throughout the years. They are annuities and Registered Retirement Income Funds (RRIFs), and due to legislation passed in late 1986, both offer you more flexibility than ever before.

What is a RRIF?

A RRIF is very much like a bank account from which you withdraw income payments each year. However, government regulations stipulate the minimum amounts of funds which must be

withdrawn annually. In effect, what has been created is an "indexed income" until age 90.

How does the minimum income rule work?

Under a RRIF, income payments depend on the difference between 90 and the current age of the recipient at the beginning of each year. For example, if you elect to buy a RRIF when you dissolve your RRSP at age 71, in the first year 1/19 of the fund will be paid as income. In the second year 1/18th is paid out, and so on, until age 89 when the balance of the fund is paid. As long as the amount withdrawn from an RRIF equals or exceeds the government minimum, an individual can vary his/her annual payment to suit

personal needs. The effect of removing additional amounts, however, would be to lower future payments from the RRIF. If death occurs prior to age 90, the remaining scheduled payments can be made to a spouse named as the beneficiary or commuted to become part of the estate of the deceased to be paid to survivors.

How much spousal protection do you have?

The objective of an RRIF is to provide income for you until age 90. However, if your spouse is younger than you are, it may be desirable to provide spousal protection until he/she reaches age 90. In that case, the government-required minimum can be calculated according to your

spouse's 90th birthday, instead of your own. Under such stipulation, the amount of regular income payment is reduced, because the capital and interest must provide a stream of income over a longer period of time.

RRIFs and annuities: secure and flexible assets for your senior years. A powerful tandem to have working for you when your working days are through.

For further information contact Life Underwriters Association of Canada, 41 Lesmill Rd., Don Mills, Ontario, M3B 2T3, (416) 444-5251, or speak to your local life underwriters association.

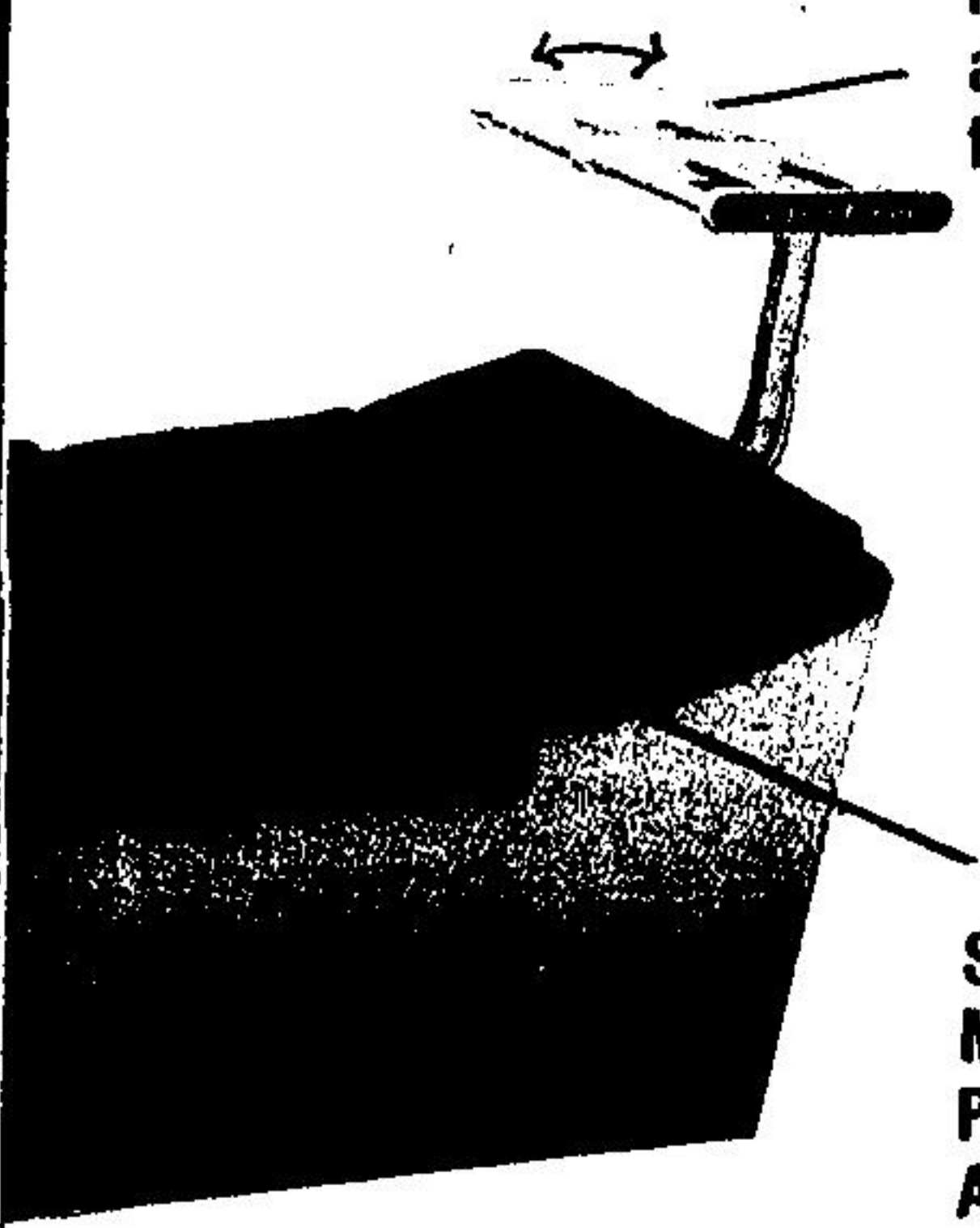
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Arm Bar
Movement
about 10°
for stretch

Shoulder
Movement —
Pivot Up and Down
About 10°

Hip Movement —
Left Hip and Right Hip
360° Opposite Rotation

The Solo-Firm Exerciser

Each section of the Solo-Firm exerciser moves independently, providing significant passive exercise to all the major areas of the body in a sequential order. Circulation is improved, muscles are toned, and fat begins to break down! When used in conjunction with a sensible diet, three or four treatments (1/2 hour each) on the Solo-Firm exerciser can produce one to two pounds of weight loss per week!

- ✦ No disrobing
- ✦ No Medical Restrictions
- ✦ For women
- ✦ No age restriction
- ✦ No showering
- ✦ Firms Body After Weight Loss
- ✦ Loses Inches where needed

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