

# THREE AVAILABLE RRSP options at maturity

When the time finally comes for well-earned retirement or to mature your RRSP savings to provide income for some other purpose, there are three main options open. You can decide the time has come whenever you like, but it can't be later than the year in which you become 71.

The first option — simply to cash in your RRSP holdings — is really no option at all in normal circumstances because the full proceeds are all immediately subject to tax in one year. It would be a pretty painful experience indeed for most people who went that route.

Realistically, the choice is between establishing a Registered Retirement Income Fund (RRIF) and buying a lifetime or "term certain" annuity. Both have advantages and disadvantages; your individual needs and circumstances will decide what's best for you. Or conceivably you might decide to combine options.

### How much income?

It's important to calculate what income you'll need in retirement. Will you be earning money from a part-time job or consulting? Do you have a steady flow of funds from other investment sources? How old are you? What's your marital status? What's your life expectancy?

And perhaps most important of all, would you be happiest with a fixed monthly income you don't have to worry about? Or will you continue to enjoy the challenges of managing your own investments?

### Flexible payout vehicle

The RRIF is a flexible payout mechanism designed to help minimize tax, maximize cash flow and fight inflation. Income from investments in a RRIF is not subject to immediate tax; it can contain a range of investments so it can still work for you in retirement; and by including a proportion of investments with growth potential, it can offset inflation. It doesn't guarantee an income after age 90.

## Financial Planning

### Annuity fixes income

If you choose the annuity route, you can sit back and depend on a fixed income, although obviously the amount will depend on the size of your RRSP investment and the type of annuity you buy.

Unlike a RRIF, however, the rate of return of an annuity is established at the time of purchase and is fixed from then on. Lifetime (or "life survivor" annuities are usually rather more costly than fixed-term instruments because the lifelong versions don't guarantee

the eventual cost to the firm selling them.

### Huge range of products

There's an enormous range of RRIF and annuity products to be had out there in the marketplace and it's the easiest thing in the world to make an expensive mistake you could regret for the rest of your life.

For instance, proceeds for even the simplest annuities vary greatly

among different insurance companies and the combinations, permutations and payouts available among different RRIF packages can be even more confusing and potentially dangerous.

So when your RRSP maturity time arrives, it's essential to shop around. Do your homework thoroughly; take all the time you need; and get advice from knowledgeable people you know and trust.



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President

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# RRSP results that speak for themselves.

FUND	1988	1987	1986	1985	SINCE INCEPTION
INDUSTRIAL DIVIDEND FUND	31.3%	14.3%	16.4%	15.4%	16.3%
INDUSTRIAL EQUITY FUND	16.9%	11.9%	11.0%	14.2%	15.5%
INDUSTRIAL FUTURE FUND	16.5%	—	—	—	15.4%
INDUSTRIAL GROWTH FUND	26.6%	14.3%	15.3%	17.2%	17.4%
INDUSTRIAL HORIZON FUND	22.9%	—	—	—	14.0%
INDUSTRIAL INCOME FUND	11.6%	13.7%	15.8%	12.1%	11.1%
INDUSTRIAL PENSION FUND	29.9%	13.2%	14.8%	14.2%	16.5%
MACKENZIE EQUITY FUND	28.8%	13.4%	15.3%	—	15.0%
MACKENZIE MORTGAGE & INCOME FUND	12.6%	13.8%	15.2%	—	16.2%

FOR MORE INFORMATION ON THESE AND ANY OTHER RRSP INVESTMENTS CONTACT:



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