

Never Think VOL. 4 | NO. 4 NEVER



Managing your retirement income

When you were working, you received a basic salary and didn't have to manage different sources of revenue. Now that you're retired, you're responsible for managing your own income. You must be wondering where to start. Relax! We're here to help.

We offer personalized assistance to help you deal with the following major issues:

- **Longer life expectancy**

This is great news, but it also means you'll need more money. Statistics show a steady increase in life expectancy over the last decades. This means you'll have to make sure you don't lose your financial independence or become an additional burden on your family.

- **Rising healthcare costs and government withdrawal from service delivery**

We are living longer, and healthcare costs are rising faster than income and inflation. We are likely to spend much more on health care, with increasingly less government support.

- **Depletion of capital**

Will you outlive your capital? How will you ensure a suitable standard of living once you've exhausted your investments? To fully enjoy your retirement, you need a long term vision, some financial elbow room, and a plan that extends beyond your 90s.

- **Inflation**

Inflation is a key issue throughout retirement. Certain types of income you receive after retirement may not be adjusted for inflation. Unfortunately, your expenses will be, which will decrease your spending power. That's why it's important for your plan to take inflation into account.

- **Changes to taxation or government plans**

It's impossible to know what changes or adjustments will be made in the future. Changes to the system could leave you with a little less money available to ensure a decent standard of living.

- **Impact on returns**

When you withdraw from your investments, you significantly increase the risks related to market declines. Negative returns during the first years you withdraw from your portfolio can compromise your financial situation—and therefore your standard of living—in the long term. That means that once you start using your capital, you will have to be extra careful in choosing the investment tools in your portfolio.

Take advantage of tax-exempt interest

If you can draw savings from your income after retirement and want those savings to be tax exempt, consider a tax-free savings account (TFSA). Interest income, dividends, and capital gains from that account will always be tax exempt, even when withdrawn. Plus, withdrawals from a TFSA will not affect government benefits like the old age security pension (OASP) or the guaranteed income supplement (GIS). In addition, GST and QST credits will not be reduced because of revenue from TFSA investments.



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We also offer other customized assistance to help you:

- Estimate your income from the following sources
 - Government plans: Quebec Pension Plan (QPP) and Old Age Security (OAS)
 - Pension plans (pension fund, URC, LIF, or other)
 - Your financial assets (TFSA and RRSP, unregistered investments and personal property)
 - Other sources of income
- Create a budget
 - Identify your retirement needs
 - Determine how well your public and private retirement income will meet your needs
- Select investment solutions and financial strategies that meet your basic needs while allowing you to maintain your lifestyle and achieve your retirement dreams. The table below shows which sources meet your various needs.



Pension income		
Objective	Needs	Sources of revenue
Meet basic needs	Income covering 0% to 45% of required expenses (according to age at retirement)	Government plans
	Stable and regular income protected from market fluctuations to cover expenses related to basic needs and ensure sufficient income throughout life	Private employer plans Lifetime pensions
Maintain lifestyle	Access to capital to maintain your lifestyle and complete special projects capital	Other investment solutions to meet your needs

Who says managing pension income can't be easy?

At Desjardins, we have solutions to help you with this task. Desjardins Vision-Retirement can help provide the peace of mind you need to enjoy your retirement to the fullest.

This service, designed to meet the specific needs of people approaching retirement or already retired, goes far beyond advice on how to diversify your portfolio. It includes recommendations on managing your income, protecting your estate, and planning the transfer of your assets.

Vision-Retirement helps you secure your income for your basic needs and ensure it lasts a lifetime.

Desjardins offers an innovative approach including a full evaluation of your needs and personalized assistance with a view to capital protection, tax optimization, and simpler transfer of your assets.

Avoid having to pay back part of your old age security pension

Keep your personal income below \$66,335 (for 2009) by dividing your pension income. You can allocate up to 50% of your eligible pension income to your spouse.

You will no doubt have a number of questions on managing your retirement income. Feel free to visit us and take advantage of our expertise. You'll find the tools you need to ensure peace of mind through sound, worry-free, lifelong income management. We're here to help you fully enjoy the retirement you deserve!



Money working for people

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