

Retirement Planning

Retirement is costly. Diversify your approach to maximize results.



Why is diversification important towards reaching your retirement goals?

In retirement, it's anticipated you'll need 70-100% of your pre-retirement income to maintain your current lifestyle.¹ Having a diversified approach may allow you to:



Minimize taxes due in retirement²



Maximize potential income in retirement



Stretch your nest egg that much further

How diversifying with life insurance may help provide the boost your other plans need.

	Registered Retirement Savings (RRSP)	Registered Pension Plan (RPP)	Private Pension	Tax-Free Savings Account (TFSA)	Life Insurance
Generally Income Tax-Free Death Benefit	x	x	x	x	✓ ³
No Contributions Limits	x	x	x	x	✓
Tax-Deferred Growth	✓	✓	✓	✓	✓
Tax-Advantaged Distributions	x	x	x	✓	✓ ⁴
No Required Distributions	x	✓	✓	✓	✓

Take a closer look at a hypothetical example of diversifying with Foresters Financial™.

Meet Tom, a forty-year-old male in excellent health, who is looking for a solid plan to protect his family from an unexpected death before retirement. He also plans to use his whole life certificate as collateral through Equitable Bank's cash surrender value line of credit⁵ to secure loans to delay taking Old Age Security and Canada Pension Plan for 5 years. Tom applies for an Advantage Plus Whole Life⁶ certificate with a premium payment period of 20 years and the Enhanced Insurance Dividend Option.⁷ He is approved Standard Non-Smoker and his monthly premiums are \$700.



Advantage Plus Whole Life

Initial Life Insurance Design⁸

Total Initial Insurance Amount	\$462,380
Initial Basic Insurance Amount	\$315,806
Initial Enhanced Insurance Amount	\$146,574

Starting at age 65

Guaranteed Cash Value	\$141,312
Total Cash Value ⁹	\$235,905
Planned collateral loans	Potential for up to \$51,000
Number of years for loans	5 (years 25-29)

At age 85

Cumulative gross distributions	\$255,000
Loan balance at age 85	\$509,225
Projected net total death benefit at age 85	\$264,131

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¹ Source: <https://www.savvynewcanadians.com/money-needed-in-retirement>. Accessed November 2021.

² Foresters, their employees and life insurance representatives, do not provide, on Foresters behalf, legal or tax advice. The information given here is merely a summary of our understanding of current laws and regulations. For questions around any tax or legal matter, individuals should consult their tax or legal advisors.

³ Life insurance companies charge fees such as mortal and expense risk charges and surrender charges in exchange for the death benefit.

⁴ Access to tax-advantaged collateral loans via third-party agreements assuming the policy stays in-force until death or taking withdrawals from the policy up

to cost-basis. If the certificate lapses, there may be tax consequences on any cash value above the cost basis. Withdrawals or loans will reduce death benefit and cash values and may affect how long the insurance contract is in effect.

⁵ The "CSV Line of Credit" is a service offered through Equitable Bank. Advisors are not acting on behalf of Foresters in relation to the "CSV Line of Credit" and must be contracted with Equitable Bank. Collection of the loan by Equitable Bank could impact the Foresters insurance contract such as decreasing the value and duration of coverage. Foresters, their employees and life insurance representatives, do not provide, on Foresters behalf, legal or tax advice. Prospective purchasers should consult their tax or legal advisor. The Equitable Bank "CSV Line of Credit Suite" is a demand credit facility, meaning Equitable Bank can demand payment of all or part of the outstanding balance at any time. The outstanding balance of the loan must remain below 95% of the loanable portion of the certificate.

⁶ Underwritten by The Independent Order of Foresters.

⁷ Dividends are not guaranteed. Past dividends are not an indicator of future dividend performance.

⁸ The benefits and values shown are neither guaranteed nor estimated for the future except for those items clearly labeled as guaranteed. The benefits and values assume that the non-guaranteed elements will continue unchanged for all years shown. This is not likely to occur as the assumptions on which they are based are subject to change by Foresters. The actual results may be more or less favorable and are expected to vary from those shown.

⁹ Total Cash Value is made up of Guaranteed and Non-Guaranteed Cash Values.