

Financial EXCHANGE

Questions? - We invite your participation. Send inquiries to: financialexchangefeedback@manulifesecurities.ca
The opinions expressed are those of the author and may not necessarily be those of Manulife Securities Insurance Inc.

Guaranteed Retirement Income

Nearly 14 million Canadians are retiring in the next 20 years. If you are one of them, having a financial plan that includes guaranteed income can help you live your dreams in retirement.

Canadians are living longer than ever before and are looking to their retirement years as a time to enjoy themselves after being a part of the workforce for so many years. In the past, fewer Canadians worried about funding their retirement as many spent their entire career with one company who in turn, would provide retirees with a guaranteed income stream they could rely on.

Today, fewer companies are offering guaranteed pension plans, also known as "Defined Benefit Pension Plans" – in fact, fewer than 1 in 4 working Canadians have them.¹ While guaranteed pensions may not be as common as they once were, having a source of guaranteed income that you can't outlive is now more than ever an important part of every retirement strategy.

In a recent survey, nearly 75% of Canadians indicated that a happy retirement meant not having to worry about money.² A guaranteed income stream in retirement can help alleviate this concern by providing a dependable income that you can count on every year - imagine having peace of mind in knowing you will have a source of income that you can always rely on.

The traditional channel usually involves purchasing GIC's which secure your principal but provide poor returns, high taxes and lose purchasing power OR investing in non-guaranteed products which may provide higher returns. The dilemma to investing during retirement is balancing out the trade off between guaranteed and growth investments to try and achieve a 'pension' of your own which is guaranteed to last as long as you do. After all, a couple aged 65 has a 94% chance of one partner living to age 80 and a 63% chance that one partner lives to age 90. Outliving your money has never been a greater fear

than it is today.

Brand New from Manulife Investments

Manulife's *PensionBuilder* is a straight-forward, low-risk investment solution that allows you to convert some of your retirement savings into a source of income that you can't outlive. This innovative solution is specifically designed to provide a steady stream of income throughout your retirement that you can count on.

In essence this becomes your own guaranteed pension. You have a minimum guaranteed income for life. Sounds to you like an annuity? It is.....sort of. The biggest difference between this product and a straight annuity comes with the ability to access funds.

In a straight annuity you give the insurance company your money and they provide income for life. With *PensionBuilder* from Manulife you give them your money, get the guaranteed income for life BUT you have the ability to

unwind all or part of your investment at current values* of your contract should you need it.

Investing in this new solution will help ensure that you will be financially prepared for a long and fulfilling retirement.

So How Does This Work for Me?

This product isn't for everyone. If you have a pension this probably isn't for you. If you like 'playing the market' or shooting for great returns this isn't for you.

On the other hand...if you are used to investing in GIC's and other very conservative products this may be for you.

Someone like Jane who is 55 and owns a small flower shop is an ideal candidate for this product. As a small business owner there is no pension. Recent market turmoil scares Jane, and the thought of investing in non-guaranteed growth investments keeps her awake at nights. Her other great fear is outlasting her

money. What if she lives to 95 and the money runs out at 90?

Jane is one example of a good fit with the *PensionBuilder* from Manulife although it does fit quite well with people aged 55-80 who are GIC and conservative investors.

Source: ¹Statistics Canada, *Pension Plans in Canada and Labour Force Survey, April 2009*

²Source: Manulife Investments, *Guaranteed Income Product Consumer Survey, August 2011*

*fees may apply

For more information on Manulife's PensionBuilder please call one of our Insurance Advisors 705-646-2811

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Manulife PensionBuilder invests in the fixed income fund category which may increase or decrease in value. Exceeding the withdrawal thresholds may have a negative impact on future income payments. Age restrictions and other conditions may apply. The Manufacturers Life Insurance Company is the issuer of the Manulife PensionBuilder insurance contract and the guarantor of any guarantee provisions therein.