



“Canadians Not Saving Enough for Retirement”

You've probably seen that headline in newspapers and magazines or heard it said on TV and radio.

In June 2007, the Canadian Institute of Actuaries (CIA) produced a survey with the University of Waterloo, entitled “Planning for Retirement: Are Canadians Saving Enough?” The key question this report addresses is “Will you be financially ready to retire by 2030?” For people considering retiring in 2030, the report asks three questions:

1. Do you contribute at least 15 percent of your yearly earnings to a Registered Retirement Savings Plan?
2. Does your employer sponsor a workplace pension plan?
3. Do you own a home and do you intend to have it paid for by retirement?

The report begins by explaining that people over age 40 who have not given much thought to these three questions may be somewhat troubled by their retirement picture. Studies have shown that **two-thirds of Canadians** may not be saving at levels required to meet their basic household expenses in retirement.

The savings target analysis shows that a 40-year old single person earning \$40,000 per annum, who is

saving at a rate of 10% of their earnings over the next 28 years (retirement age 68), should be in a position to have sufficient retirement savings (when combined with Canada/Quebec Pension Plan and Old Age Security) to cover their living expenses. A couple whose household income is \$80,000 has a yearly savings target rate of 21%. If you are saving less than this then there is a very definite possibility that you will not have enough money saved for your retirement.

Old Age Security and Canada/Quebec Pension Plan by themselves provide insufficient income to meet the necessary living expenses. These programs have been designed to deliver income at approximately the Low Income Cutoff, which is one relative measure used in defining poverty. They have been designed to provide only a modest level of income.

The report concludes by stating that there is an urgent need for individuals to save for their own retirement and that the majority of Canadians are behind the savings curve and will not have sufficient income to cover their expenses in retirement. Based on the report's findings, the importance of individuals saving adequately over the next 25 years and saving at levels that are much higher than the average Canadian is currently saving, cannot be stressed enough. ✦

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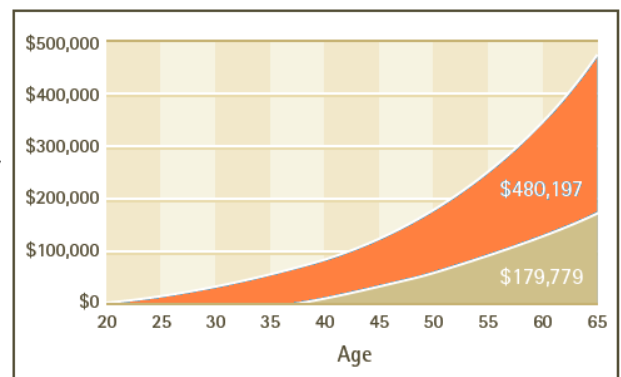
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Start early, finish strong

Envisioning retirement in your twenties and thirties may be difficult – retirement seems a lifetime away. That's the exact reason to start saving. Putting time to work for you is one of the cardinal rules of successful retirement planning.

Mathematically, there are two big advantages to getting an early start on retirement savings. If you're going to build a retirement income over 30 years, rather than 15 years, you won't have to contribute as much overall to realize the same or even greater results as someone who starts at a later age. Early savers also get full benefit of “the magic of compounding.” For each year you

let your savings and interest accumulate, you'll earn more interest. This is how your money can approximately double in 12 years while earning six per cent interest each year. By starting your retirement plan while you're still young, more of your retirement savings will come from investment earnings rather than your contributions. ✦



The graph above demonstrates how saving \$2,000 at the beginning of each year from age 20 versus age 35 can make a significant difference in retirement savings.

Important RRSP contribution deadlines

You will receive two tax receipts for contributions received from March to December 2009 and for January and February 2010. This allows you flexibility in tax reporting. Both statements and tax receipts are mailed to your home address. Make sure Great-West Life has your current contact information.

Call them at 1-800-724-3402 or go online www.grsaccess.com.

RRSP receipt period	Contributions received	Postmarked on or before*	RRSP receipts will be mailed on or before
March 3, 2009 to Dec. 31, 2009	by Jan. 21, 2010	Dec. 31, 2009	Feb. 8, 2010
Jan. 1, 2010 to March 1, 2010	up to March 5, 2010	March 1, 2010	March 15, 2010
	from March 8, 2010 to March 22, 2010	March 1, 2010	March 31, 2010

Postmarks are monitored for three weeks following the end of each tax receipt period, which is why there are two receipt mailings during the January to March 2010 period.

**For contributions sent by courier, the courier company's mailing date (date sent) will be used instead of the postmarked date. (This includes contributions sent by overnight courier.)*

With RRSP season approaching, it's a good time to revisit your retirement plan.

Can you maximize your contributions? Make a lump sum deposit?

Top it up and take advantage today!

Don't wait until the last minute!

Lump sum contribution forms can be downloaded from either www.grsaccess.com or www.ceirp.ca.

If you are planning to make a lump sum contribution to your RRSP you might want to check your payroll contributions so far so you don't contribute over your allowable deduction limit.

Have you completed your applications? Misplaced your application package? Remember, any Payroll contributions accumulating on your behalf can't start working for your retirement until you *enroll*.

Contact your Group RSP Administrator today!



In case you were wondering.....

Tax receipts - if you haven't received one for 2008 or the first 2 months of 2009 you should contact Great-West Life at 1-800-724-3402.

Change of address - if you have moved contact Great-West Life even if you have notified your Local/Guild. Your Local/Guild will not notify Great-West Life for you.

Certificate number - if you need to know your Certificate number contact your Administrator or look on your latest statement from Great-West Life.

2009 RRSP Deduction Limit - refer to the most recent Notice of Assessment sent to you by the CRA or online at www.cra-arc.gc.ca/myaccount.

Investment options - if you have transferred your investments to a different fund(s) and want all future deposits invested in that same fund(s) you must change the instructions in "Future deposits" online.

Learning centre - check out the Learning centre online for Great-West Life's quarterly Economic Reviews and the Smart Retirement Guide.

Mailing Address - regardless of where you live in Canada all mail to Great-West Life must be addressed to the London, Ontario office.

Investments - check out the [Fund review](#) and [Fund reports](#) on www.grsaccess.com or www.ceirp.com.

Education - check out [Planning & learning](#) online for Great-West Life's quarterly [Economic Reviews](#), the [Smart Retirement Guide](#), [Educational videos](#), and the [Plan your retirement](#) tool.

Logon ID and password - can't access your account online? Contact Great-West Life at 1-800-724-3402.