



Getting ready for retirement

What will your sources
of income be?



Life after work

**Where will your income come from?
How much can you expect to receive?
Being able to answer these questions will help you plan, budget and be prepared for the next chapter of your life.**

This guide is designed to help you start planning for retirement. Keep in mind that it's intended only to provide general information, which shouldn't be interpreted as tax advice. We recommend that you consult a Desjardins Insurance retirement advisor, or your own qualified advisor, before making any decisions.

Make sure to identify and review all of your sources of income so you can assess how much you can expect. You'll then be in a better position to start planning when you'll retire and how you'll enjoy your life after work.



Take stock of where you're at by accessing your account, via desjardins.com/groupplanmember or the **Omni Desjardins** app, and using On Target Retirement®.

Next, go to **Wellness Centre > Wellness Centre > Financial wellness** to read the articles in the **Retirement** section or consult the *Retiring soon?* guide, in the middle of the page. You'll find all the information you need to prepare and enjoy your retirement to the fullest.

Sources of income

Your retirement income may come from a number of different sources:

Government plans and benefits

- Canada Pension Plan (CPP) or in Quebec, the Quebec Pension Plan (QPP)
- Old Age Security (OAS)
- The Guaranteed Income Supplement (GIS)
- The Allowance for spouses or common-law partners

Group retirement savings

You may have participated in a workplace savings plan, such as a:

- Defined contribution pension plan (DCPP)
- Simplified pension plan (SPP)
- Voluntary retirement savings plan (VRSP)
- Defined benefit pension plan (DBPP)
- Group registered retirement savings plan (RRSP)
- Deferred profit sharing plan (DPSP)
- Tax-free savings account (TFSA)
- Non-registered plan (NRP)

Personal savings and investments

- An individual RRSP or TFSA
- Personal savings accounts and investments, such as GICs, stocks and bonds
- Real estate

Understanding government plans and benefits

Here's an overview of government retirement plans and benefits. You can find the details on payment amounts on the following page.

About the Canada Pension Plan (CPP) and Quebec Pension Plan (QPP)

The CPP and QPP provide retirement income for Canadian workers who have contributed to either plan. They provide contributors and their families with retirement, disability, survivor, death and children's benefits. Generally, the CPP is for residents of all Canadian provinces, except Quebec. The QPP is for residents of Quebec.

Eligibility

Everyone living and working in Canada who has contributed to the CPP or QPP is entitled to monthly benefits for life. When you turn 65, you will be entitled to the regular benefits. You can choose to take your benefit as early as age 60—in which case, it will be reduced based on your age at the time your benefit begins.

On the other hand, if you choose to take your benefit after age 65 and as late as age 70 (72 for QPP), it will be increased based on your age at the time your benefit begins.



Did you know?

Your Statement of contribution/participation gives you an idea of the CPP/QPP benefits you may be entitled to.

These benefits will be subject to taxes, based on your total income.

For the CPP, visit www.serviccanada.gc.ca/msca
For the QPP, go to www.rrq.gouv.qc.ca/en

About the Old Age Security (OAS) program

OAS benefit

The OAS benefit is a monthly payment for most Canadians aged 65 and older. If you are eligible, you may receive the OAS benefit even if you are still working or have never worked. The OAS benefit is paid each month for life and is adjusted up to four times a year to reflect any increase in the Consumer Price Index (CPI).

In addition to the age requirement, you must be a Canadian citizen or a legal resident. You must have lived in Canada for at least ten years (20 years if you are living outside Canada) after the age of 18 to be eligible to receive some benefit.

You can defer your OAS benefit for up to five years past your age of eligibility and receive a higher amount.

Depending on your individual net income, you may have to repay part or all of your OAS benefits. This is referred to as the OAS pension recovery tax or "clawback." The threshold amount is adjusted each year for inflation using the CPI.

Other benefits

The **Guaranteed Income Supplement (GIS)** provides additional benefits to certain low-income seniors receiving the OAS pension.

An **Allowance** is available for low-income individuals aged 60 to 64 whose spouse or common-law partner either receives the GIS or has passed away. Residency and income requirements apply.

The GIS and the Allowance are non-taxable benefits, but they have to be reported on your income tax return as part of total income.

For full details on the OAS program, including eligibility conditions, visit www.serviccanada.ca.

Government retirement benefits in 2026

Canada Pension Plan (CPP) / Quebec Pension Plan (QPP)

Benefit	Average monthly CPP/QPP benefit	Maximum monthly CPP and QPP benefit
Retirement pension (starting at age 65)	\$804 ¹ /\$731 ²	\$1,508 ³

¹ Average CPP amount a new recipient receives as of October 2025.

² Average QPP amount for the year 2026, received by individuals who earned, over the course of their career, employment income equivalent to half of the Year's Maximum Pensionable Earnings, according to Retraite Québec.

³ Amounts paid under the additional plan (QPP) or CPP top-up are included in the maximum amount shown.

Your benefit depends on how much and how long you have contributed to the plan, the age at which you start receiving your pension and your average earnings during your working years. Refer to Retraite Québec (QPP) and Service Canada (CPP/OAS) to find out how much you're entitled to. Benefits are taxable.

Old Age Security (OAS)

Type of benefit	Maximum monthly benefit (January to March 2026)	Maximum 2024 annual income where the benefit paid is zero (for January to March 2026) ⁴
Old Age Security (OAS) pension (starting at age 65)	age 65 to 74	\$742
	age 75 and over*	\$817
Guaranteed Income Supplement (GIS) (single person)	\$1,108	\$22,448 (individual)
Allowance (if your spouse/common-law partner receives the GIS and the full OAS pension)	\$1,409	\$41,616 (combined)
Allowance for surviving spouse or common-law partner	\$1,680	\$30,312 (individual)

* The Old Age Security pension is increased by 10% for seniors 75 years of age and over.

⁴ Depending on the type of benefit, some income may not be considered in the calculation.

Benefits under the OAS program are indexed according to the Consumer Price Index up to four times a year.

The OAS pension amount is determined by how long you have lived in Canada after age 18, the age at which you decide to start receiving your benefit and your age at the time you receive the benefit. The OAS pension is taxable. Also, if your individual net income is above to \$93,454 in 2025, the OAS pension from for the period from July 2026 to June 2027 will be subject to a deduction of \$0.15 for every dollar of income above this threshold.

GIS and Allowance benefit amounts are based on your age, marital status and income. These benefit amounts will be recalculated each July based on your net income (personal or combined) for the previous calendar year. Some income is not considered in the calculation. Benefits may increase, decrease or even cease based on changes in your annual net income. The GIS and the Allowances are non-taxable benefits, but they have to be reported on your income tax return as part of your total income.

Note: This document reflects the latest figures made available by Service Canada and Retraite Québec (as applicable) as at January 5, 2026. Values are rounded to the nearest dollar. In the event of any discrepancy between the information in this document and that of the federal government, Retraite Québec and the applicable law, the latter shall prevail. Desjardins Insurance has taken reasonable steps to ensure the accuracy of this information, but makes no representation or warranty as to such, as the information may no longer be up to date, complete or accurate.

Converting your savings to retirement income

You'll have decisions to make when it comes to drawing income from your retirement savings, but we're here to help. You can contact our retirement advisors.



RRIFs (Registered retirement income funds)

RRIFs are the classic option. It's easy to transfer some or all of your RRSP to a RRIF* for the most control and flexibility over your retirement income. You decide how much to withdraw, and how often. A few things to keep in mind:

- Withdrawals are taxed.
- You have to withdraw a minimum amount every year, starting in the year following the civil year you open the RRIF, with the minimum increasing each year.
- There is no withdrawal maximum, so you can access your money as needed.

RRIFs also allow you to continue to invest in different vehicles, including market-related funds. And like RRSPs, your savings grow tax-deferred.

With RRIFs, you are responsible for making sure your retirement savings last – which is why having the right investment strategy and plan are key. And don't worry, if your circumstances change you can convert a RRIF to an annuity at any time.

* Savings in a DPSP and non locked-in savings in a SPP, DCPP and VRSP may also be converted to a RRIF.



Annuities

Annuities can be purchased with registered or non-registered savings. They're a guarantee from an insurance company to provide you with regular payments for life or a set period. Annuities are a good way to address the fact that no one knows how the markets will perform or how long their retirement will be.

But while they offer peace of mind, annuities offer none of the flexibility of a RRIF or LIF. Once you've bought

LIFs (Life income funds)

In most provinces, locked-in savings have to be transferred to a LIF. Just like RRIFs, LIFs allow you to keep growing your savings tax-free and pay tax only on the amount you withdraw. The main difference is that withdrawals are subject to an annual maximum. Please note that, in the province of Quebec and as of January 1, 2025, the LIF will no longer impose a maximum amount for members aged 55 and over.

Despite this withdrawal restriction, options may be available to address different liquidity needs. For example, certain provinces allow a one-time partial withdrawal from a LIF, while others allow it to pay out an additional temporary income.

PRIF (Prescribed registered retirement income funds)

If you have locked-in savings under Manitoba or Saskatchewan pension legislation, you can transfer some or all of your savings, depending on the province, into a PRIF. Certain conditions apply. You have to withdraw a minimum amount every year, but there is **no maximum withdrawal**. Other conditions apply under provincial legislation.

an annuity, there's no going back, even if your situation changes.

The amount of your annuity depends on a range of factors, including your gender, age, and the interest rate in effect when you make your purchase.

Optional features, such as guaranteed terms or survivor benefits, exist to provide additional peace of mind.

Good to know

RRSPs: Retired or not you can leave money in an RRSP until the year you turn 71.

TFSA: While you can use your TFSA to save for whatever you want, it can also be a great source of retirement income because withdrawals aren't taxed and don't trigger clawbacks of Old Age Security or the Guaranteed Income Supplement. Another interesting feature is that you can keep contributing beyond age 71.

To learn more about the TFSA and the contribution room, visit the [Canada Revenue Agency](https://www.cra.gc.ca) website.

With you, for life

Saving shouldn't stop when your group plan ends.

The Destination program offers you a comprehensive, integrated solution designed to help you manage your savings effectively—whether you're retiring or transitioning from the organization.

With the Destination program, you can have your group plan assets seamlessly transferred at no cost to you, while continuing to enjoy many of the benefits you're already familiar with. You'll also have access to a range of practical, scalable digital tools—available anytime.

Your Group retirement savings program gives you access to a dedicated team of retirement advisors who will:

- help you identify which retirement income options might best suit your situation and goals
- give you a sense of what your overall retirement income could be
- be there for you throughout your retirement

Contact us today.



Monday to Friday
8 am to 5 pm (ET)

1-877-585-3033

destination@desjardins.com

Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company. Desjardins®, Desjardins Insurance®, all trademarks containing the word Desjardins, as well as related logos are trademarks of the Fédération des caisses Desjardins du Québec, used under licence. 200, rue des Commandeurs, Lévis (QC) G6V 6R2 / 1-866-647-5013 desjardins.com

 **Desjardins**
Insurance
Life • Health • Retirement