

UBC FACULTY PENSION PLAN RETIREMENT OPTIONS MATRIX

	DEFER DECISION	VARIABLE PAYMENT LIFE ANNUITY	RRIF-TYPE PAYMENTS	LIF-TYPE PAYMENTS
DEFINITION OF PRODUCT	Your funds continue to be invested. This is permitted until December 1 of the year you reach age 71 .	You exchange your funds in return for a monthly income for your lifetime and your spouse's lifetime, if elected.	Your funds remain invested and you receive a percentage of the funds as income payments, subject to legislated minimums .	Your funds remain invested and you receive a percentage of the funds as income payments, subject to legislated minimums and maximums .
ELIGIBLE FUNDS	All or part of your total account balance.	All or part of your total account balance.	All or part of your non locked-in account balance.	All or part of your locked-in account balance.
INVESTMENT CONTROL	You continue to control the investment of your account using the FPP investment options.	You release control of your funds in exchange for a lifetime income.	You continue to control the investment of your account. A key issue may be to avoid reducing your capital too quickly.	You continue to control the investment of your account. A key issue may be to avoid reducing your capital too quickly.
INCOME AMOUNT	Periodic cash withdrawals are permitted from your non locked-in funds.	Depends on the payment option you elect. This includes 4% or 7% investment assumptions, actual investment performance, single or joint-and-survivor options, guaranteed periods etc.	Depends on the amount of your non locked-in funds and your need for income from this source. It is subject to legislated minimums and investment performance.	Depends on the amount of your locked-in funds and your need for income from this source. It is subject to legislated minimums and maximums and investment performance.
FOR HOW LONG	This is permitted until December 1 of the year you reach age 71 .	For your lifetime and your spouse's lifetime if you elect a joint-and-survivor annuity. You can also elect a guarantee period up to 15 years.	For your lifetime as long as you have not depleted your capital.	For your lifetime as long as you have not depleted your capital. The maximum withdrawal limit reaches 100% at age 89.
CASH WITHDRAWALS	Yes – from non locked-in funds.	None available.	Yes - at any time.	Yes - subject to yearly maximum limit.
CHANGE TO ANOTHER OPTION	Yes - at any time.	No.	Yes - at any time.	Yes - at any time.
DEATH BENEFITS	Full account balance paid to your spouse or other named beneficiary.	Upon your death, your spouse may receive 100% or 60% of your monthly income, based on the option you elected at the time of purchase. You may also add a minimum guarantee period (maximum of 15 years).	Full account balance paid to your spouse or other named beneficiary.	Full account balance paid to your spouse or other named beneficiary.

June 2021



THINGS TO THINK ABOUT

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Gives you time to assess your retirement lifestyle before committing to an income option. Also enables you to defer taxes.	You will have the security of knowing you will not outlive your income from this source.	This is a good vehicle for minimizing taxes and for gaining substantial flexibility to vary your income according to your changing needs.	This is a good vehicle for minimizing your taxes while gaining some flexibility to vary your income, subject to the legislated yearly maximums .
This option is only available until December 1 of the year you reach age 71 .	Your income is not fixed and thus there is opportunity to gain full or partial protection from inflation.	You continue to control the investment of your account with the full balance paid on your death.	You continue to control the investment of your account with the full balance being paid on death.
You can still elect any of the other income options with UBC or an outside financial institution.	You have a choice between a conservative and more aggressive investment assumption choice depending on your comfort level.	You can convert to a lifetime annuity at any time.	You can convert to a lifetime annuity at any time.
Cash withdrawals are available when needed from non locked-in funds. <i>Note:</i> They do not qualify for pension income splitting with a spouse for Canadian income tax purposes.	Cash withdrawals are not available.	Cash withdrawals are permitted.	Cash withdrawals are permitted as long as they do not exceed the legislated yearly maximums .
	In some years your payments may be lower than the previous year due to market cycles.	Depending on the amount of your withdrawals you could exhaust your funds while you are still living.	Your payments could be reduced if the investment performance does not meet your expectations.
	In the event of early death, total annuity payments received could be less than the value of your account.	The value of your account could be adversely affected by market downturns and this could impact your sense of financial security.	The legislated yearly maximums restrict the income you can receive.

CHOOSING BETWEEN FINANCIAL INSTITUTIONS AND UBC'S OPTIONS

FINANCIAL INSTITUTIONS OPTIONS	UBC FACULTY PENSION PLAN OPTIONS
You can gain access to more investment options and even establish a fully "self-directed" plan.	You can access the same investment funds that you did as an active plan member.
Professional investment advice is often available to you.	Eliminates the need to move your assets out of the Faculty Pension Plan.
Fixed and escalating lifetime annuities are usually available.	Fixed or escalating lifetime annuities are not available.
No opportunity to participate in higher rates after a fixed or escalating annuity is purchased.	Variable Payment Life Annuity option lets you participate in the investment performance of the Balanced Fund.
No withholding tax required on minimum RRIF/LIF payments.	Withholding tax required on all RRIF-Type/LIF-Type payments.
Management and administration fees are usually higher.	Management and administration fees are usually lower.

The appropriate forms are available on the UBC FPP website at faculty.pensions.ubc.ca and at mysunlife.ca/ubcfpp.

