

A photograph of a man in a purple shirt and khaki pants carrying a young boy in a yellow shirt on his shoulders. They are outdoors with trees in the background. The man is smiling and looking to the side, and the boy is also smiling with his arms raised.

AS A SINGLE PARENT

Here's why CI is essential to your RRSP planning

A missing piece of a financial plan, that's all it could take to lose years and years of Registered Retirement Savings Plan (RRSP) growth, not to mention the comfortable retirement you've dreamed about. It happened to Rajinder Singh. Rajinder age 42 is a single father with two young children, a house, a mortgage and dreams for retirement. He has been saving since his late 20's and has managed to save \$135,000 in RRSP's. He also has life insurance in place that would ensure his children are taken care of should anything happen to him.

Then Rajinder is diagnosed with Colon Cancer. He takes immediate leave from work to focus on treatment and recovery. His treatment is aggressive and will require that he be off work for at least 4 - 6 months. Rajinder can no longer be the sole caregiver and will need to get help taking care of the children and the house over this time. Rajinder's doctors have recommended a non-insured treatment to help his recovery, but the money is just not there. Rajinder's RRSP's are his only answer.

The Next question is, **will he have enough?**



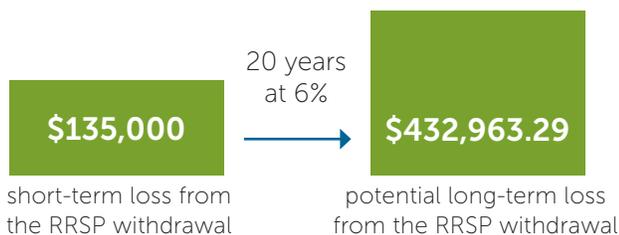


No, he will not have enough.

Rajinder has calculated and thinks he will need \$82,000. With his marginal tax rate of 46%, even if he withdraws his full \$135,000 in RRSPs, he will only net \$72,900 after tax, leaving him with no savings and a shortfall of nearly \$9,100.

A critical illness can have a devastating effect on your finances. The most thorough retirement income projections typically do not make allowances for the additional costs of living involved when someone suffers from a critical illness such as Cancer or Heart Attack. By having to use his RRSP's, the effect on Rajinder's financial and retirement plans is devastating. In addition, the long-term loss of compounded returns could be enormous.

Impact on Retirement Savings



(\$135,000 compounded at 6% for 20 years = \$432,963.29)

The right insurance coverage can protect your savings and the retirement lifestyle of your dreams. Empire Life Vital Link Critical Illness Insurance provides a tax-free lump sum cash benefit upon diagnosis of one of the 23 critical illnesses and life altering conditions including Heart Attack and Cancer. You can also protect your premiums... if you own a Vital Link policy and you do not become ill, you could receive all of your premiums back by adding a Return of Premium rider to your plan. That's right, you can have this valuable coverage plus receive all premiums paid into the policy if you do not incur a Critical Illness.

Critical Illness is an important part of your overall financial plan. You can either take the chance and hope that a life-altering illness will not deplete your savings or income, or protect yourself by adding Empire Life Vital Link Critical Illness Insurance.

For more information, please contact your financial advisor who can help put the final piece of your financial plan in place.

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