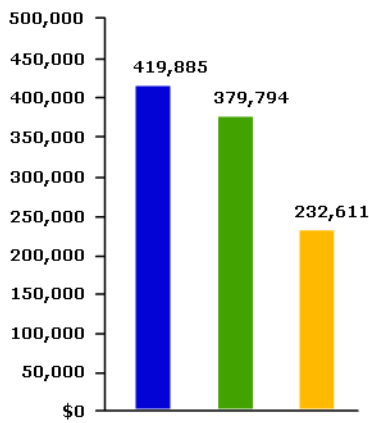


EARLY WITHDRAWAL FROM RRSP DUE TO CRITICAL ILLNESS IMPACT ON RRSP SAVINGS



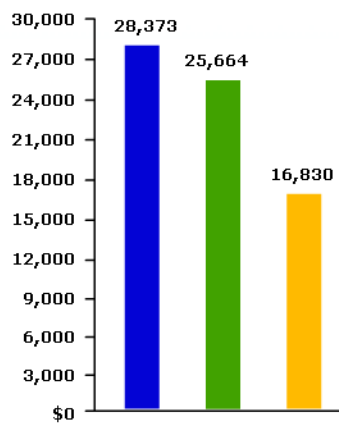
Early Withdrawal due to CI-Impact on Registered Savings at Retirement



- Value of RRSP at Retirement
- RRSP Value when RRSP contributions are reduced by CI Premiums
- RRSP Value at retirement if withdrawal taken because of CI

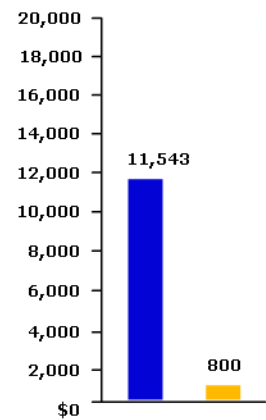
Note: The above graph assumes the individual withdraws \$ 66,667 from the RRSP at age 52 following the critical illness.

Early Withdrawal due to CI-Impact on Annual Retirement Income



- Estimated Annual Income During Retirement
- Retirement Income when RRSP contributions reduced by CI Premiums
- Annual Income at Retirement if withdrawal taken because of CI

Compare the costs



- Reduction in Annual Retirement Income
- Annual cost of Critical Illness Insurance

[Print Results](#)



EARLY WITHDRAWAL FROM RRSP DUE TO CRITICAL ILLNESS IMPACT ON RRSP SAVINGS



Registered Savings Calculator

Current Age:	40
Age At Retirement:	65
Life Expectancy	90
Number of Years until Retirement:	25
Estimated Years in Retirement	25
Current RRSP Savings	\$ 50,000
Annual RRSP Contributions	\$ 5,000
Inflation Rate:	3 %
Growth Rate:	8 %
Value of RRSP Savings At Retirement	\$ 419,885
Estimated Annual Income During Retirement	\$ 28,373



EARLY WITHDRAWAL FROM RRSP DUE TO CRITICAL ILLNESS
IMPACT ON RRSP SAVINGS



Impact of Early Withdrawal due to Critical Illness

Age at Critical Illness		52
Value of RRSP Savings Before CI	\$	173,358
Money Needed from RRSP to Cover CI (CI Benefit)	\$	40,000
Marginal Tax Rate		40 %
Before Tax Withdrawal from RRSP	\$	66,667
Value of RRSP After Withdrawal for CI	\$	106,691
Age at which RRSP contributions continue (use Age At Critical Illness if there is no stoppage of contributions)		55
Adjusted Annual RRSP Contributions	\$	5,000
Adjusted Retirement Age		63
Adjusted Life Expectancy		85
RRSP Value at retirement if withdrawal taken because of CI	\$	232,611
Reduction in Value of RRSP at Retirement	\$	187,274
% Reduction in RRSP Savings at Retirement as a Result of CI		45 %
Annual Income at Retirement if withdrawal taken because of CI	\$	16,830
Reduction in Annual Income During Retirement	\$	11,543
% Reduction in Annual Income as a Result of CI		41 %



EARLY WITHDRAWAL FROM RRSP DUE TO CRITICAL ILLNESS
IMPACT ON RRSP SAVINGS



Compare the cost of a Critical Illness on your Retirement Income

Annual Reduction in Retirement Income as a Result of a CI	\$	11,543
Cost over Life Expectancy	\$	253,946
Annual cost of Critical Illness Insurance	\$	800
Cost of CI Premiums until onset of critical illness	\$	10,400
RRSP Value when RRSP contributions are reduced by CI Premiums	\$	379,794
Retirement Income when RRSP contributions reduced by CI Premiums	\$	25,664

What if instead of withdrawing funds from your RRSP for a critical illness you were able to put that money into an RRSP? (Note that there must be accumulated contribution room to make single year deposits in excess of annual maximums)

Critical Illness Insurance Sum Insured	\$	40,000
Age at Critical Illness		52
Growth Rate		8 %
Inflation Rate		3 %
Age at Retirement		63
Additional RRSP Savings At Retirement	\$	68,414
Life Expectancy		85
Additional Annual Retirement Income	\$	6,210



EARLY WITHDRAWAL FROM RRSP DUE TO CRITICAL ILLNESS IMPACT ON RRSP SAVINGS



IMPORTANT NOTE

This calculator is designed to show the impact on RRSP savings and RRSP retirement income of an early withdrawal from an RRSP. The calculations are based on key variables which are selected and entered by the user. While no restrictions are placed on the entries, care should be taken that the assumptions used are reasonable for the client and the particular situation being illustrated. Actual results will differ from those illustrated.

The client should be advised that variables on which the calculations are based are subject to change and the results may be higher or lower than those illustrated.

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