



● WHAT'S INSIDE:

**YOUR CHURCH PENSION PLAN NEWS**



**SAVING FOR YOUR RETIREMENT**  
(how much should you save? TFSAs/RRSPs)



**SOME IDEAS TO STAY FIT**  
(and happy) **FOR THE SUMMER!**



## START EARLY TO ACHIEVE LONG-TERM FINANCIAL GOALS

Whether you are buying your first house, getting married, paying off debt or building up your emergency fund, short- to mid-term savings goals are an important part of financial planning. But for longer term goals — like retirement — you need to start thinking about the big picture early so you'll be ready for this next phase of your life. Start by identifying your retirement dreams, and develop a plan for how you'll make them a reality.

This newsletter will help you understand how your Church Pension Plan works together with your personal savings and government benefits so you can get an idea of what your retirement income will look like. It also highlights some recent governmental changes made to the Canada/Quebec Pension Plan (C/QPP). You'll also learn about some saving solutions to help your short- and long-term savings goals, and finally review a few tips to improve your overall wellbeing and enjoy what summer has to offer!



## OUR CHURCH PENSION PLAN NEWS

### REMINDER – Church Pension Plan versus personal savings

#### Retirement Planner

Use the SDACC Retirement Planner to help you plan for retirement and work towards your savings objectives!

<https://www.tptools.ca/SDARetirementPlanner/>

The Seventh-day Adventist Church provides you with a defined benefit (DB) pension plan that will represent a portion of your retirement income, along with government benefits and your personal savings.



THE CHURCH



GOVERNMENT



PERSONAL

You need to know what type of retirement you'd like and when you'd like to retire so you can determine how much money you'll need to set aside and be ready when it's time to retire.

While some of your retirement income will be covered by the Church and government benefits, your personal savings will complete the picture. If your vision for your retirement and your financial plan aren't aligned, then you can figure out what adjustments you need to make.

### Canada/Quebec Pension Plan (C/QPP) enhancement

In 2019, the Governments of Canada and Quebec began their five-year plan to improve the projected retirement income under the C/QPP. This change would see the potential benefit from C/QPP go from 25% to 33.3% of employment earnings. In order for this enhancement to happen, both employer and employee contributions will gradually increase to 5.95% from the current 4.95% (of employment earnings). This long-term phased approach provides more time for businesses and individuals to adjust while increasing the focus on retirement readiness.

#### Canada/Quebec Pension Plan (C/QPP)

The C/QPP currently provides a lifetime monthly pension based on the number of years you contribute, your employment earnings during each of those years and your age when your pension begins. You and your employer make equal contributions to the C/QPP, based on your earnings up to the Year's Maximum Pensionable Earnings (YMPE).

The YMPE is \$57,400 in 2019.



## HOW MUCH SHOULD YOU SAVE FOR RETIREMENT?

How much you need to save for retirement depends on the kind of retirement you envision. There's a big difference in cost between travelling around the world vs. tackling your bucket list of great novels. Talking with a financial advisor will help you determine how much you'll need and how much you have to save for retirement.

If you're not used to saving, it's easier if you start small. However, when it comes to getting ready for your retirement, if you start saving later, you'll need to put more aside in the long run. Starting early helps you benefit from years of compounding\*.

Try the Church Retirement Planner to estimate how much you will need to save.

<https://www.tptools.ca/SDARetirementPlanner>

**\*Compounding**

With compound interest, you earn interest both on the money you save and on the interest that money earns. Think of it as earning interest on interest. Thanks to the power of compound interest, your money has the potential to grow!



### TFSAs vs. RRSPs?

With a **TSFA**, you're not taxed when you make a withdrawal, but this option doesn't offer an immediate tax benefit.

On the other hand, **RRSPs** provide a tax deferral; contributions are deductible on your annual tax return but you are taxed when you make a withdrawal.



## SAVINGS PLANS — WHAT TO KNOW ABOUT PERSONAL TFSAS AND RRSPS

Your personal savings are an integral part of your retirement income. Both TFSAs (tax-free savings accounts) and RRSPs (registered retirement savings accounts) will help you set money aside for your retirement, while offering tax advantages for today.

Choosing the right vehicle for you will depend on what you earn now and what you anticipate earning in the future. Contributing to an RRSP can be a good way to preserve your savings; since withdrawals are taxable, you might think twice before drawing down on your retirement savings. On the other hand, TFSAs can give you the flexibility to save for short- and long-term goals.

To learn more about TFSAs and RRSPs, you can refer to your Pension Booklet (page 12) or visit the *Government of Canada* website:

More info on TFSAs: <https://tinyurl.com/CDNTFSA>

More info on RRSPs : <https://tinyurl.com/CDNRRSP>



## FOUR SIMPLE STEPS YOU CAN TAKE TO IMPROVE YOUR WELLBEING THIS SUMMER

**Summer is finally here!** While you might want to trade your treadmill for a pair of paddles and enjoy more outdoor activities, you should also consider other aspects of your wellbeing, those which go beyond your physical health: your spiritual, social and financial wellness. Taking care of your overall wellbeing is important and, like saving money, starts with small steps. To help, we gathered a few fun and easy tips and ideas that will help you improve all aspects of your health this summer:

### 1 Physical wellbeing – get moving!

Looking for a boost to stay engaged in your fitness routine? Consider joining a sports group or league. With other people, it's easier to stay motivated. It's also fulfilling to contribute to the group. Look online to see what's available in your area.

### 2 Spiritual wellbeing – be in the moment

Take time in the morning to study a favourite Bible verse and think on God's word and the many blessings He has provided. Focus on this verse during the day. Why not start with Philippians 4:4-8? Each day explore with God what you are thankful for.

### 3 Social wellbeing – help your local community

Humanitarian aid and community development have always been one of our priorities at the Church. Even though the Church helps many people around the globe, your daily service, love and care to those around you is the true essence of our work. Expressing your faith and values through your service in your local community makes a difference.

### 4 Financial wellbeing – visit the retirement planning tool for a financial check-up

Do you have enough saved up? Will your retirement years be covered? How are your investments doing? To answer these questions and improve your financial health, you need to assess your financial situation and goals. The Church-provided Retirement Planner will help you to estimate your pension and required savings by modeling different scenarios (choose a retirement date, visualize your retirement income, and much more). These can be used when you meet with a financial advisor. Visit <https://www.twtools.ca/SDARetirementPlanner> to try it out!



### NEXT ISSUE

Be sure to let us know if there's a topic you'd like us to cover and we'll try our best to include your suggestions in future issues.



### TELL US WHAT YOU THINK!

If you have any questions, comments or suggestions about this newsletter, please don't hesitate to contact the Retirement Department:

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