

ELCIC Pension Plan

Life Income Fund Resource Document

Below are examples of the amount of monthly pension provided through a Life Income Fund (LIF) assuming an account balance of \$200,000 at age 65. The initial monthly pension you can receive can be determined by pro-rating your actual account balance in relation to \$200,000. Note the example is condensed and shows the monthly payments and remaining LIF account balance every 5 years. The minimum and the maximum withdrawal percentages are determined by the federal and provincial governments and are based on your age as at January 1st of each calendar year. The minimum is fixed by Canada Revenue Agency and it does not change by province, however the maximum percentage does vary slightly depending on your provincial jurisdiction.

The first example assumes a consistent investment return of **2% per annum** and shows the payments if you either withdraw the maximum or the minimum percent of your account. The withdrawal percentage used in the example is the 2021 maximum LIF withdrawal percentage for Ontario.

Age at Jan 1	Maximum %	Maximum Payment	Ending LIF Account assuming Maximum	Minimum %	Minimum Payment	Ending LIF Account assuming Minimum
65	7.38%	\$1,230	\$189,105	0.00%	\$0	\$204,000
70	8.22%	\$1,019	\$139,342	5.00%	\$768	\$178,764
75	9.71%	\$845	\$96,274	5.82%	\$751	\$148,892
80	12.82%	\$702	\$58,522	6.82%	\$709	\$118,641
85	22.40%	\$585	\$24,879	8.51%	\$667	\$87,889
89	100.00%	\$514	\$0	10.99%	\$633	\$62,884
95	n/a	n/a	n/a	20.00%	\$520	\$25,510

- Financial Institutions are required to provide a statement each year end that shows the client's account balance as at December 31st and the minimum and maximum payment for the next calendar year based on the client's age as at January 1st.
- In some provinces the maximum payment from a client's LIF can be based on the greater of 1) the prescribed percentage determined, or 2) the previous year's investment return.
- This is an illustration only. Actual investment returns and LIF balances will vary and produce different outcomes.

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The example below is identical to the previous example except this example assumes a consistent investment return of **4% per annum** and shows the payments if you either withdraw the maximum or the minimum percent of your account. The withdrawal percentage used in the example is the 2021 maximum LIF withdrawal percentage for Ontario.

Age at Jan 1	Maximum %	Maximum Payment	Ending LIF Account assuming Maximum	Minimum %	Minimum Payment	Ending LIF Account assuming Minimum
65	7.38%	\$1,230	\$192,972	0.00%	\$0	\$208,000
70	8.22%	\$1,128	\$157,377	5.00%	\$848	\$201,348
75	9.71%	\$1,036	\$120,436	5.82%	\$917	\$185,361
80	12.82%	\$954	\$81,208	6.82%	\$956	\$163,332
85	22.40%	\$884	\$38,463	8.51%	\$996	\$133,910
89	100.00%	\$859	\$0	10.99%	\$1,026	\$104,022
95	n/a	n/a	n/a	20.00%	\$956	\$47,966

- Financial Institutions are required to provide a statement each year end that shows the clients' account balance as at December 31st and the minimum and maximum payment for the next calendar year based on the client's age as at January 1st.
- In some provinces the maximum payment from a client's LIF can be based on the greater of 1) the prescribed percentage determined, or 2) the previous year's investment return.
- This is an illustration only. Actual investment returns and LIF balances will vary and produce different outcomes.