



SHAH FINANCIAL PLANNING INC.

Keeping You Informed on Tax & Investments

Greetings!

Why Switch Employers Registered Pension Plan to an Individual Locked In Retirement Account when you are no longer working for that employer.

All locked-in RSPs and LIRAs are transfers from Registered Pension Plans. Registered Pension Plans (RPP) are plans set up by employers and unions to provide pension benefits to their employees and union members for retirement. Registered Pension Plans come in two different types of plans Defined Benefit Pension Plans (DBPP) and Defined Contribution Pension Plans (DCPP). The employer or both employer and the employee make ongoing contributions to the plan.

If you have a defined contribution pension plan this decision is much easier since there are no guarantees on the pension benefits at retirement by your employer. In most cases it is advantageous to transfer your defined contribution registered pension plan to your own locked-in plan.

When transferring your Registered Pension Plan to an individual locked-in plan you can benefit from additional tax deferral and compounded growth, and you can access that money anytime after the age of 55.

With Registered Pension Plans you have to start receiving your pension at age 65. Individual locked-in plans provide more flexibility for estate planning. Any remaining funds left in the plan when both you and your spouse are deceased belong to you not the employer's or union's pension plan. You can name your children or your estate as beneficiaries on the plan they will receive your unused funds, unlike employers registered pension plans where there is no residual value after the surviving spouse is deceased.

When transferring your Registered Pension Plan to an individual locked-in plan you are no longer restricted in your investment options. You can select eligible investments based on your personal financial objectives and risk tolerance. The added flexibility is of value. You also benefit from the services of a personal financial advisor.

We are at your service. If you require further information/assistance, please do not hesitate to contact your [financial advisor](#) at Shah Financial Planning Inc.

Office Hours

: May to January :

Monday to Friday ► 9:00 am to 5:00 pm

Thursday by Appt. ► 5:00 pm to 6:00 pm

No Inner Peace Without Financial Security

www.ShahFinancial.ca



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