

## 8 Reasons Why an RRSP Does Not Measure Up to the Labourers' Pension Fund (Part 1 of 8)

Saving for retirement isn't easy. That's why it's really important that you make the most of every dollar you save. Registered Retirement Savings Plans (RRSPs) are one of the best tax-assisted vehicles available to help individuals save for their retirement, but they are different from pension plans in many ways. Do you know how the Labourers' Pension Fund (LPF) stacks up compared to the typical RRSP? Read on, you may be surprised.

### How much do you know about investing?

A professionally managed fund, like the Labourers' Pension Fund (LPF), has been proven to earn higher returns than the average individual investor. More importantly, studies show that the higher returns result in pensions that are generally 25 to 50% higher than those provided by an individual RRSP!

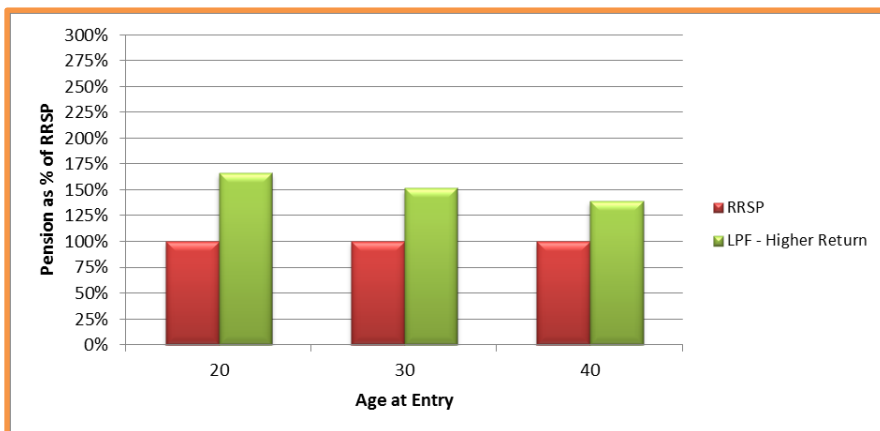
The reasons for this are two-fold. First, the LPF has access to some of the most knowledgeable investment advisors and money managers in Canada. With almost \$5 billion dollars currently in the fund, these investments are keenly managed by top professionals with the ability to get the most out of every dollar.

Secondly, a large pension plan, such as the LPF, has access to a wider variety of investment options than an individual investor. The size of the fund has afforded the plan the opportunity to be able to take advantage of investments in private companies, real estate properties and infrastructure, all assets that have higher long-term expected returns, with much lower levels of risk and volatility.

The LPF has earned an average annual rate of return of over 10% during the last 5 years, and over 7% during the last 10 years, and this period includes the 2008 market downturn. Has your RRSP earned you that much?

Here's what an extra 1.5% in annual investment earnings does for you in terms of pension at retirement!

The Labourers' Pension Fund operates under a collective approach, whereby risks are shared, expenses are lowered, and expertise is paramount – all leading to higher pensions and greater retirement security for members....all the better for



*The LPF offers more than an RRSP for the following reasons:*

- 1. Professionally Managed Fund = Better/Higher Pensions –** Professionally managed fund means higher investment returns which means higher pensions.
- 2. Lower Costs –** Costs are spread over a large membership base, ultimately leading to higher pensions.
- 3. Ability to Weather Market Volatility –** Potential benefit reductions resulting from volatile markets can be restored, whereas RRSP contribution room is more limited.
- 4. Ability to Assume More Risk –** Collectively, the plan can assume more investment and other risk, leading to higher returns and higher pensions.
- 5. Pensions for Life –** Your money will never run out, as LPF pension benefits are paid for life.
- 6. Greater Predictability of Pension Benefits –** Pension benefits are defined which allows for better retirement planning.
- 7. Members Directly Represented in the Fund's Governance Structure –** 100% union-trusted, with access to special training, expertise and professional advice.
- 8. Additional Subsidized Benefits –** Subsidized early retirement benefits,

you!

In summary, **REASON 1** is as follows: The LPF is a professionally managed fund which has a proven track record of healthy investment returns, resulting in higher pension benefits for you at retirement.

**Stay tuned for the next installment of our 8-part series of the key advantages of the LPF over an RRSP.**