

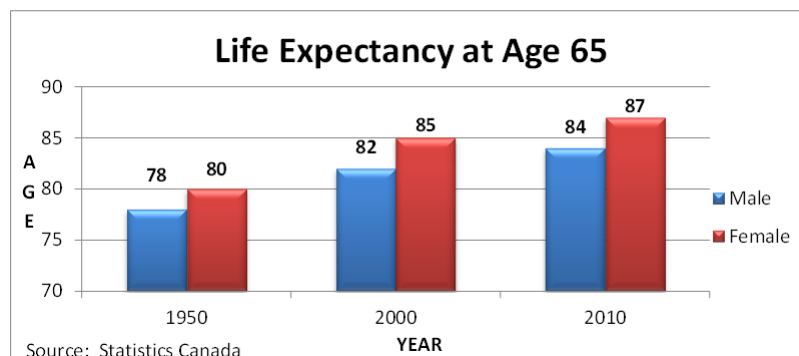
8 Reasons Why an RRSP Does Not Measure Up to the Labourers' Pension Fund

(Part 5 of 8)

Do you have enough saved should you and/or your spouse live to be 90 or 100?

A pension for life – that's what the Labourers' Pension Fund (LPF) provides! It doesn't matter if you live to be 90, 100 or 110, your pension will be payable for your lifetime. And if you elect the joint and survivor option at your date of retirement, a reduced pension will be paid to your spouse, should they outlive you. Unlike an RRSP where you can outlive your money, the LPF provides peace of mind.

Medical advances and improved living conditions have increased the average time that we can expect to live. The following graph shows how life expectancy for a 65-year-old has improved over the years. The most recent statistics show that a male who has reached age 65 can expect to live, on average, 19 more years to the age of 84, while a female can expect to live another 22 years to age 87.



An RRSP provides for an accumulated account balance that leaves you with the decision of how much to withdraw each year. As a retiree, you face the dilemma of trying to balance the need for post-retirement income against the risk of outliving your savings. And on the other hand, if you are too cautious you may underspend your savings at the expense of a lower standard of living. Since no one knows exactly how long they will live, it's difficult to pinpoint just how much to set aside, and how much to spend.

In summary, **REASON 5:** Another significant benefit of the LPF is that it protects you from outliving your finances, just like an insurance policy, by providing a retirement income for life – no matter how long you might live.

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