



Retirement and pension module

Trainer's introduction

Most people know that they cannot rely solely on the public pension and old age security systems for their retirement – in fact, many people are concerned about how to finance their retirement. Adequate preparation requires a long period of planning and preparation, a variety of complex financial choices and for most people management of several different financial instruments. This module gives people an overview of the public and private retirement options so that they can understand what their retirement needs will be and what steps they can take to meet them.

Mini-module 1 reviews the personal and financial elements that go into determining an individual's retirement needs. Mini-modules 2 and 3 respectively cover how the public and private pension systems work and how personal savings contribute to successful retirement planning. Mini-module 4 shows how to estimate total retirement income, and Mini-module 5 gives tips on avoiding frauds aimed at seniors.

Learning objectives

After covering the topics in the module booklets or web pages and this workshop, learners will be able to:

- Explain why it is important to plan early for a pension and retirement
- Explain ways to start early in saving for a pension and for retirement
- State their personal goals for retirement and calculate the estimated amount of savings they will need for their retirement goals
- Describe the main features of the CPP or QPP, and the types of benefits the plans pay
- Find out their current entitlements to CPP/QPP and project their potential benefits at retirement
- Describe the features of defined benefit and defined contribution plans
- Find out their current entitlements to a private pension (if they have one) and project their potential benefits at retirement



- Describe how RRSPs work and their main benefits
- Describe how TFSAs work and their main benefits
- Describe other savings instruments
- Describe what the OAS and GIS programs are and how they work
- Find out their entitlement to OAS, GIS and provincial benefits programs
- Describe a variety of unsheltered savings instruments and explain how they could be used in a retirement savings plan

Materials/equipment Required

- Copies of selected mini-module booklets or activities for participants
- PowerPoint file: Retirement and Pensions
- PowerPoint projector and screen
- Internet connection (if using)

Time Required

	To do all the activities in this module would require approximately:	To complete the module in one hour, focus on:
Introduction	<ul style="list-style-type: none"> • 10 minutes 	<ul style="list-style-type: none"> • Activity 1
1: Retirement needs	<ul style="list-style-type: none"> • 45 minutes 	<ul style="list-style-type: none"> • Activity 4 (My retirement needs worksheets)
2: Pensions	<ul style="list-style-type: none"> • 45 minutes 	<ul style="list-style-type: none"> • Slides 13 to 18 • Activity 7 (Public pensions)
3: Savings for retirement	<ul style="list-style-type: none"> • 45 minutes 	<ul style="list-style-type: none"> • Activity 10 (Video: Registered Savings Plans) • Slides 27 to 30 • Activity 11 (Your personal savings)
4: Estimate retirement income	<ul style="list-style-type: none"> • 40 minutes 	<ul style="list-style-type: none"> • Activity 14 (Canadian retirement income calculator) • Activity 16 (My Retirement Preparation Checklist)
5: Investment fraud	<ul style="list-style-type: none"> • 25 minutes 	<ul style="list-style-type: none"> • Activity 18 (Audio: Telephone scam)
Action plan	<ul style="list-style-type: none"> • 5 minutes to get started 	<ul style="list-style-type: none"> • Activity 18 (Action plan)



Suggested activities and PowerPoints

Use the slides together with the text in the online or printed modules. The text provides additional information, items that are not easily represented in a slide, worksheets and other references.

Select the slides you will need for your presentation. *You will not need all the slides if you don't plan to cover all the topics.*

Introduction

Customize the agenda as needed. Introduce the workshop topic and outline the contents.

Slide 1: Retirement and pensions title page

Retirement and pensions

Slide 2: Agenda

Agenda

Start time: _____

Break time: _____ (10 minutes)

End time: _____

Please set phones to silent ring and answer outside of the room.



Activity Icebreaker: Different approaches, different needs

Have participants form groups of four, and have each participant read one of the four scenarios in the Different approaches, different needs section of the Retirement needs booklet.

Have participants describe the scenario they read to the others in the group and discuss whether they know of anyone like the character in the case study. Have each participant check any scenarios that could be a possibility for themselves.

Extend the discussion by asking questions such as the following:

- When you review the scenarios, is there any one that you feel is most like yours? Why?
- How does that story make you think about planning for your own retirement?"
- What is the value of planning for something that is far away when circumstances are likely to change before the plan is finished?
 - **Answer:** It helps to identify what steps will be needed and to make the first steps so you will be more prepared when things do change. Also, for most people retirement planning takes many years of preparation, so if you don't start early it will be too late.
- If there's one thing you want to learn in this session, what would it be?
- What's the most important thing to know about retirement planning as you manage your personal finances?
- If there's one thing you could already tell your best friend about retirement planning, what would it be?

Conclude the activity by summarizing some things people already know. Explain that the session is going to build on what people know to help participants plan their finances more effectively.

Slide 3: Retirement and pensions

This module covers:

- How the federal and Quebec pension systems work
- How to estimate your financial needs for retirement
- The variety of income sources you can use to support your retirement
- The benefits of starting to save and plan early in life

Mini-module 1: Retirement needs

Slide 4: Title slide: Retirement needs

Retirement needs



Overview

Slide 5: Retirement needs

This section covers:

- How to evaluate your preparations for your retirement
- How to identify your retirement goals
- How to estimate the amount of money you will need per year

Activity Planning through your life

If you skipped the Icebreaker activity on the Retirement and planning scenarios, do the activity now.

Activity My attitude toward retirement planning

Have participants fill in the My attitude toward retirement planning checklist in the Retirement needs booklet.

Referring to the slide, My attitude toward retirement planning, if necessary, prompt discussion by asking questions such as the following:

- How do you think your attitudes to retirement planning could affect your future?
 - **Answer:** If you have a proactive attitude, you will likely be better prepared and more successful in achieving your retirement goals.
- Why do some people avoid retirement planning?
 - **Answer:** It's hard to see clearly into the future, and to make tradeoffs now for a future that is uncertain and may not appear very attractive.



Slide 6: My attitude toward retirement planning

My attitude toward retirement planning

- I live for today and don't want to think about the future.
- I don't like to think about growing old.
- It's hard to save any money each month, let alone put away money for my retirement.
- Pension plans will take care of me when I retire.
- Inflation will erode my savings, so there's no point in putting extra money away.
- I'm confused about the best way to save for retirement, so I don't take action.
- I want to be sure that I have enough for my retirement, so I'm willing to sacrifice now by saving regularly.
- I plan to get professional advice to ensure that I save enough and invest wisely to build my retirement savings.

Your results:

If you checked any of the first six boxes, your attitudes may lead you to avoid planning. If you checked the last two boxes, you have a proactive attitude that will help you prepare. It's important to be aware of the habits and emotions that keep you from planning effectively, so you can counter them and get started.

Retirement needs

Slide 7: My retirement needs

Your needs depend on many factors:

- Your retirement age
- Your life expectancy
- Your retirement lifestyle
- The effect of inflation

Activity My retirement needs worksheets

Have participants fill in the following worksheets in the Retirement needs booklet.

- Age of retirement pros and cons
- My possible life expectancy
- My retirement lifestyle

Prompt discussion by asking questions such as the following:

- What are some important elements or wishes you want to see in your retirement?
- What factors are most important for people when choosing between early and later retirement?
 - **Answer:** Work plans, health, retirement goals, financial obligations, pension plans and savings all affect people's choices.
- How can people change their life expectancy?



- **Answer:** Some factors affecting life expectancy are genetic or environmental, but people can affect them with healthy living and lifestyle choices, especially active living, healthy eating, smoke-free living and careful driving.
- How do lifestyle choices affect retirement planning?
 - **Answer:** Some choices are less costly than others, so they require less retirement savings.

Slide 8: The effect of inflation

- Inflation is the rising cost of consumer goods
- Inflation affects:
 - The cost of goods you buy
 - The value of your savings
- Allow for inflation when you estimate what you will need in the future

Activity Video: Estimating your retirement needs

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- When is the best time to start planning for retirement?
 - **Answer:** As early as you can, so that you have time to prepare and save what you will need.
- Why is a detailed budget projection more useful for retirement planning than a general guideline?
 - **Answer:** A general guideline can be useful when you don't have the information for a detailed projection, but it may not account for the specific choices you want to make.

Point out the 70 Percent Guideline worksheet and the Budget worksheet in the Retirement Needs booklet. If possible, have students start the worksheets during the session, and complete them after the session ends.

Video response sheet

Name: _____ Date: _____

Name of video: _____



What points in the video do you agree with?	What points in the video do you disagree with?
What points in the video do you need more information about?	
If you had to summarize the video for a friend, what would you say were the most important points?	

Activity	Summary of key messages
<p>Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.</p> <p>Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide). Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.</p>	

Slide 9: Summary of key messages

- Start planning and saving early
- Your habits and attitudes affect your planning
- Your retirement needs depend on many factors
- Estimate your retirement budget with:
 - The 70 percent guideline
 - A detailed retirement budget
- Take inflation into account

Mini-module 2: Pensions

Slide 10: Title slide: Pensions

Pensions



Overview

Slide 11: Pensions

This section covers:

- How the federal and Quebec pension systems work
- How private pension systems work
- Other government benefits that can supplement your retirement income

Public income programs

Slide 12: Public income programs

- Canada Pension Plan (CPP) or Quebec Pension Plan (QPP)
- Old Age Security (OAS)
- Provincial or territorial income supplements

Slide 13: Canada Pension Plan

- Provides benefits based on contributions
- The retirement pension
- Disability benefits
 - For contributors with a disability and their dependent children
- Survivor benefits, including:
 - Death benefit
 - Survivor's pension
 - Children's benefit
- Details at [Service Canada](#).

Slide 14: CPP Retirement Pension

- Designed to replace 25% of earnings from employment
- Contributions compulsory for employer and employee
- Monthly benefit is based on:
 - What you contributed
 - For how long
 - Age you choose to retire
- Maximum retirement pension in 2021: \$1,203.75
- Estimate your pension at [Service Canada](#).

**Tip:**

Point out that participants can see a list of CPP payment rates for 2021 in their Retirement income booklets.

Slide 15: Old Age Security

- Provides monthly benefits after age 65
 - After 2023, age will rise to 67
- OAS Pension based on years living in Canada after age 18
- Guaranteed Income Supplement paid to OAS pensioners with low income
- Allowance paid to spouse or partner of OAS pensioner with low income
- Maximum OAS benefit in 2021: \$615.37
- Estimate your pension at [Service Canada](#).

Tip:

Point out that participants can see a list of OAS benefit rates for 2019 in their Retirement income booklets.

Slide 16: Quebec Pension Plan

- Provides benefits based on contributions for Quebec workers and their families
- The retirement pension
- Disability benefits
 - For contributors with a disability and their dependent children
- Survivor benefits, including:
 - Death benefit
 - Survivor's pension
 - Children's benefit
- Details at [Retraite Québec](#)

Slide 17: QPP Retirement Pension

- Designed to replace 25% of earnings from employment
- Contributions compulsory for employer and employee
- Monthly benefit is based on:
 - What you contributed



- For how long
- Age you choose to retire
- Estimate your pension at [Retraite Québec](#)

Slide 18: Provincial and Territorial Benefits

- Various programs and benefits to seniors and retirees
- E.g.:
 - Income supplements for low income
 - Medical and drug plans
 - Home renovation or tax deferral plans
 - Reduced transit fees
- Details at [Canada Benefits](#).

Tip:

If you have time, instead of showing the animation, click the links in the previous slides to go to the sites listed and demonstrate how to use the online tools with input data supplied by participants.

Employment pension plans

Slide 19: Employment pension plans

- A benefit you negotiate with your employer
- **Defined contribution** pension
 - You and your employer agree on amount to contribute
 - Your benefit depends on income the plan earns
- **Defined benefit** pension
 - You and your employer agree on amount of pension benefit
 - Both contribute amount needed for the pension

Slide 20: Make your pension work for you

- Find out how benefits and contributions are calculated
 - Contact your employer or union rep or plan manager
- Contribute the maximum allowed, if you can
- If changing jobs, compare transferring pension vs. starting a new one

**Activity Summary of key messages**

Have participants in pairs or small groups discuss and write down the three or four most important things they learned from their booklets and in the workshop.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 21: Summary of key messages

- Public pension plans provide a portion of retirement income
- Other benefits help low income earners
- Employment pensions can help build savings
- Contribute the maximum allowed, if you can
- Most people need to add personal savings to pensions

Mini-module 3: Savings for retirement**Slide 22: Title slide: Savings for retirement**

Savings for retirement

Overview**Slide 23: Savings for retirement**

This section covers:

- Different options for saving for retirement
- How registered savings plans work
- Annuities and how they work
- How unsheltered investments can help you reach your retirement goals
- How equity in your home can provide income



Activity Video: How to save for retirement

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- How are you or people you know preparing financially for their retirement?
 - **Answer:** Over half of Canadians have some investments and RRSPs to prepare for their retirement, but most do not have enough, and almost 40 percent have no investments.
- Which options help you prepare for retirement by generating a tax refund you can invest?
 - **Answer:** RRSPs generate a tax refund, which you can invest for retirement. TFSAs grow tax free.

Video response sheet

Name: _____ Date: _____

Name of video: _____

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?

If you had to summarize the video for a friend, what would you say were the most important points?



Registered Savings Plans

Slide 24: Registered Retirement Savings Plan (RRSP)

- Defers income tax on deposit and income the deposit earns until withdrawn
- Deposit limited to 18% of employment income
 - Maximum limit (\$27,230 in 2020)
- Can include most common types of investment
- If withdrawn early, part is withheld for taxes
 - Temporary withdrawal allowed for home buying and education
- Information: [Registered savings plans](#)

Slide 25: Tax-Free Savings Account (TFSA)

- Income on investments in account is tax-free
- Deposit limited to \$6,000 per year
 - Can also contribute for previous eligible years
- Can include most common types of investment
- Can withdraw money and replace it the next year
- Information: [The Tax-Free Savings Account](#)

Activity Video: Saving with Registered Plans

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- What is the key benefit of registered savings plans?
 - **Answer:** They allow you to avoid or defer paying income tax on money earned by your savings.
- How are TFSAs different from other registered plans, such as RRSPs?
 - **Answer:** Income in TFSA is completely tax-free. Income in other plans is taxed when it is taken out of the plan, although the tax rate may be lower or zero, and deferring taxes has financial benefits.
- In your own case, how could you use RRSPs and how could you use TFSAs for a balanced financial plan?

Emphasize that many conditions apply to registered savings plans, and you should always get expert advice to choose a plan that is best for you.



Video response sheet

Name: _____ Date: _____

Name of video: _____

What points in the video do you agree with?

What points in the video do you disagree with?

What points in the video do you need more information about?

If you had to summarize the video for a friend, what would you say were the most important points?

Paying Out Your Savings

Slide 26: Registered Retirement Income Fund (RRIF)

- By age 71, you must transfer money from RRSP to RRIF
- Allows you to pay out money from RRSPs
- Can include most common types of investment
- Investments in RRIF are tax-free until paid out
- You must withdraw a minimum each year based on your age
- Information: [RRIF](#)

Slide 27: Unsheltered savings plans

- If you have more money to invest after investing in a registered plan
- Many investments to choose from
 - Carefully consider the risk level
 - Tax implications of investment earnings
 - Diversify your investments
 - Consider the fees and other costs
 - Get professional advice if needed

**Tip:**

If time, ask participants to name some unsheltered investments they know of, and discuss what kind of investment they are and how the investment characteristics make them more or less appropriate for retirement planning.

Slide 28: Annuity

- An investment that pays out a monthly income
- You pay a lump sum in exchange for income
- Term-certain annuity
 - Guarantees a set income for a fixed number of years
 - Payments continue to estate after death for the agreed period
- Life annuity
 - Guarantees a set income for life
 - Payments may go to a survivor after death

Slide 29: Other assets

- Locked-in retirement account (LIRA)
 - Pension savings from a previous employer
- Cash from your home
 - Rent out part of your home
 - Borrow on your home equity
 - Reverse mortgage
 - Sell and rent or buy somewhere cheaper
- Permanent life insurance
 - Borrow against cash value

Activity Your personal savings

Refer participants to the Your personal savings worksheet in the Savings for retirement booklet and have them complete as much of it as they can.

Prompt discussion by asking questions such as the following:

- What types of savings vehicles can you consider for your own retirement?
- When you have reviewed the types of savings vehicles available, what's the next step?
 - **Answer:** Add the value of your current savings and plan which vehicles you will need for your retirement.

Encourage participants to complete the worksheet at home and use it to plan for their retirement. If you have a chance, review the worksheets at the next session and discuss any questions that arise.

**Activity Summary of key messages**

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 30: Summary of key messages

- Most people need personal savings for retirement to add to public benefits like CPP and OAS
- Savings vehicles have different risks and returns
 - Some provide shelter from tax
 - Some provide guaranteed income
 - Diversify investments to protect your retirement income
- Get professional advice on saving for your retirement if needed

Mini-module 4: Estimate retirement income**Slide 31: Title slide: Estimate retirement income**

Estimate retirement income

Overview**Slide 32: Estimate retirement income**

This section covers:

- How to determine your sources of retirement income
- How to estimate your income from each source
- How to find and work with a qualified financial professional



Slide 33: Case study: Building a retirement income



Suhata earns \$50,000 a year. Now age 65, she has saved:

- \$205,000 in an Registered Retirement Savings Plan (RRSP)
- \$10,000 in a Tax-Free Savings Account (TFSA), which serves as her emergency fund

Source of income	How much income she will receive each year (in today's dollars)
Canada Pension Plan	\$11,840
Old Age Security	\$6,481
\$280,400 in savings from her Registered Retirement Income Fund (RRIF)	\$16,355
\$12,000 in savings from her Tax-Free Savings Account (TFSA)	\$1,000
Total yearly income from all sources:	\$35,676 (before taxes)

This calculation assumes annual RRSP contributions of \$5,000 from age 65 to age 70, made at the end of each year; an inflation rate of 3%, investment rates of return of 4% until Suhata begins to receive her government pension at age 70 and 3% after she receives her government pension. She will have no more savings in this plan by age 85.



Slide 34: Case study: Retirement Income

Henrik's retirement income			
Income source	I will have	Monthly amount	Yearly amount
CPP or QPP retirement pension	<input checked="" type="checkbox"/>	\$512.38	\$6,148.56
OAS retirement pension	<input checked="" type="checkbox"/>	\$510.21	\$6,122.52
GIS (if applicable)	<input type="checkbox"/>		
Employer pension	<input checked="" type="checkbox"/>	\$1,200.00	\$14,400.00
Provincial benefits	<input type="checkbox"/>		
RRSPs	<input checked="" type="checkbox"/>	\$700.00	\$8,400.00
TFSAs	<input type="checkbox"/>	\$300.00	\$3,600.00
RRIFs	<input type="checkbox"/>		
Income from savings or investments	<input type="checkbox"/>	\$917.00	\$11,004.00
Income from an annuity	<input type="checkbox"/>		
LIRA or LIF	<input type="checkbox"/>		
Life insurance	<input type="checkbox"/>		
Sale of home or property	<input type="checkbox"/>		
Other income (property rental, business, royalties, inheritance, etc.)	<input type="checkbox"/>		
Other	<input type="checkbox"/>		
Total of income	<input type="checkbox"/>		\$49,675.08
My retirement needs	<input type="checkbox"/>		\$45,500.00
Difference between income and needs	<input type="checkbox"/>		+ \$4,675.08

Activity My retirement income

Refer participants to the My retirement income worksheet in the Estimate retirement income booklet and demonstrate how to fill it in using the slide above. Encourage them to complete the My Retirement Income worksheet using their own data when they have their various contribution amounts.

Prompt discussion by asking questions such as the following:

- How closely does your projected income match your retirement needs?
 - **Answer:** Many people find that their projected income is lower than their needs. They will have to increase their savings, wait longer to retire or reduce their planned expenses.
- What can you do with the information from the worksheet?
 - **Answer:** Identify areas where you need to get more information about your income sources, and identify what action you will need to prepare for retirement.



Slide 35: Canadian Retirement Income Calculator

ServiceCanada

Government of Canada / Gouvernement du Canada

MENU ▾

[Home](#) > [Benefits](#) > [Public pensions](#) > [Canada Pension Plan - Overview](#)

Canadian Retirement Income Calculator

The Canadian Retirement Income Calculator will provide you with retirement income information. This includes the Old Age Security (OAS) pension and Canada Pension Plan (CPP) retirement benefits. To estimate your retirement incomes from various sources, you will need to work through a series of modules. You will then need to compare them to your goal income. It also allows you to see the impact of the changes you make in how you save.

The calculator will help you better understand how each pillar of the retirement income system will contribute to your future financial security.

This online service includes information on the **Post Retirement Benefit (PRB)**. It will help you better understand how contributions to this new benefit will further contribute to your financial security after you retire.

The calculator's results are estimates. You should not use them for financial planning. The calculator does not collect personal information or identifiers.

Starting in 2019, the CPP is being gradually enhanced. You can read about the [enhancements to the CPP](#).

What do I need to begin

It will take you approximately 30 minutes to use the calculator. To get the most out of your session, you may wish to have access to the following:

- [CPP Statement of Contributions](#) or [QPP Statement of Participation](#)
- financial information about your employer pension (if applicable)
- recent RRSP statement(s) (if applicable)
- statements for other savings that will provide ongoing monthly retirement income (annuities, foreign pensions; survivor pensions, etc.)

Activity Canadian Retirement Income Calculator

Click the graphic on the slide and demonstrate the Canadian Retirement Income Calculator if you have an Internet connection. Ask participants to supply input data for the demonstration. (*Note: The calculator requires a variety of data and assumptions. Review the calculator before demonstrating it so that you can explain the data to participants.*)

Prompt discussion by asking questions such as the following:

- How does the calculator help you plan for your retirement?
 - **Answer:** It provides a detailed estimate of income from all sources.
- What limitations should you keep in mind when using the calculator?
 - **Answer:** The results are only as accurate as the data you provide; it is based on a number of assumptions about the future, which are listed on the relevant pages.



Slide 36: Supplementing your retirement income

If it looks like your income won't be enough for your planned retirement, you can:

- Continue working longer
- Look for alternative sources of income
- Modify your lifestyle expectations
- Try to get better investment returns (at higher risk)

Working with a financial professional

Activity Video: Choosing a retirement planner

Introduce the video and give participants a copy of the video response sheet. Have them answer the questions on the sheet as they view the video and when it ends.

Following the video, ask some participants to share their comments with a neighbour or with the group.

Extend the discussion by asking questions such as the following:

- Can anyone describe a time when they were able to work constructively with a financial professional, and what made it a positive experience?
 - **Answer:** A trusting, comfortable relationship that promotes good communication is essential for a constructive experience.
- How do people find a financial professional?
 - **Answer:** Often they talk to family members and friends. But an advisor who is good for one person may not be the best for another. Always interview an advisor before discussing serious financial issues.

Tip:

For questions to ask a financial professional, see the Financial Professionals section of the Financial Planning module.

Video response sheet

Name: _____ Date: _____

Name of video: _____



What points in the video do you agree with?	What points in the video do you disagree with?
What points in the video do you need more information about?	
If you had to summarize the video for a friend, what would you say were the most important points?	

Slide 37: How do I find the right financial professional?

- Ask for referrals
- Check other sources (industry groups, regulators, directories)
- Pre-screen the financial professional
- Do an in-person interview
- Check referrals

Activity My retirement preparation checklist

Refer participants to the My retirement preparation checklist in the Estimating retirement income booklet and have them complete it.

Prompt discussion by asking questions such as the following:

- Does anyone feel fully prepared in all the areas listed?
 - **Answer:** Few people are fully prepared until they have had time to review their resources and then decide on a plan of action.
- Which items on the checklist are the hardest to prepare for?
 - **Answer:** Gathering the information you will need is relatively easy if you know where to look for it. Developing a realistic plan is more challenging, and carrying it out takes discipline and sometimes sacrifices.

**Activity Summary of key messages**

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 38: Summary of key messages

- Before you plan to retire, calculate:
 - How much you will need
 - How much income you are likely to have
- You may need to:
 - Adjust your projected needs
 - Find ways to supplement your income
- If you need professional help, choose an experienced, certified planner

Mini-module 5: Retirement frauds**Slide 39: Title slide: Retirement frauds**

Retirement frauds

Overview**Slide 40: Retirement frauds**

This section covers:

- How seniors are typically approached by fraudsters
- Some common frauds targeted at retirees
- How to recognize the warning signs that a transaction may be fraudulent
- What to do if you become a victim



Slide 41: Why seniors are targeted

- Often have more money
- May want high returns to pay for retirement plans
- May be lonely or isolated
- May trust others in their social groups
- May not report frauds
- May be unreliable as witnesses

Slide 42: Common types of fraud

- Inappropriate investments
 - May be too risky for seniors
- Affinity fraud
 - Operate through trusted networks and organizations
- Aggressive sales tactics
 - Pressure to decide right away

Activity **AUDIO: Telephone scam**

Refer participants to the Four red flags of fraud worksheet in the Retirement fraud booklet, and have them use the checklist to review the audio dramatization of a fraudulent phone call.

Play the audio link and have participants take notes about what the senior does right and does wrong as they listen.

Following the audio, ask some participants to share their responses with the group.

Extend the discussion by asking questions such as the following:

- Can anyone describe a time when someone they knew fell for a scam and what the signs of the scam were?
- What should you do if you suspect a scam?
 - **Answer:** Get advice from an independent knowledgeable advisor and report the situation to securities regulators or the police if it is fraudulent.

Slide 43: Tips for avoiding financial fraud

- Check new investments with securities regulator
- Don't share personal information
- Be sceptical about offers that are too good to be true
- Get written documents and full answers to your questions
- Don't invest if a seller is evasive or secretive

**Activity Summary of key messages**

Have participants in pairs or small groups discuss and write down the three or four most important things they learned during the session.

Ask a few to compare their lists with the Summary of key messages (in the text or PowerPoint slide).

Clarify any misunderstandings and point out how the messages build on the topics participants identified in the first activity.

Slide 44: Summary of key messages

- Seniors are often a target for fraud
- Protect yourself by:
 - Checking seller is registered with the securities regulator
 - Not sharing personal information
 - Avoiding offers that are too good to be true
 - Avoiding sellers who are evasive or secretive
- If you suspect fraud, contact securities regulator or police

Retirement and pensions Action plan**Activity Retirement and pensions Action plan**

Have participants review the Retirement and pensions Action plan.

Have participants check off any action that they may need to take. Ask participants to decide when and how they will take the action they need.

Ask if any participants are willing to share their plans for action.

Extend discussion with questions such as the following:

- What's the first step you need to do to better organize your retirement planning?
- What items on the checklist need the most work?
- What makes some items on the checklist harder to do than others?
- What other types of retirement planning issues do you need more information about?