

Quiz

What are the three pillars of retirement income?

1. Government benefits, workplace pension plan, personal savings
2. RRSP, investment portfolio, pension plan
3. CPP, OAS, pension plan
4. CPP, OAS, RRSP

Answer:

1. Government benefits, workplace pension plan, personal savings

As a member of the Teamsters' National Pension Plan, (the "Plan") you are among the fortunate Canadians with a pension plan. The Plan is designed to work with other sources of income, such as government benefits and personal savings. Together, they form the "three-pillar retirement income system."

What portion of pre-retirement income does the CPP or QPP currently aim to provide to new retirees?

1. Half
2. A third
3. A quarter
4. 20%

Answer:

3. A quarter

Currently, the CPP or QPP aims to provide a lifetime benefit of about one-quarter of pre-retirement income. This will increase to one-third by 2065.

What is the benefit you can expect to receive from Old Age Security (OAS) dependent on?

1. How much you contributed, how long you contributed, and your income when retired
2. How much you contributed, how long you contributed, and your retirement age
3. Your time spent living in Canada, your income, and your retirement age
4. Your time spent living in Canada, your income, and how much you contributed

Answer:

3. Your time spent living in Canada, your income, and your retirement age

The Old Age Security Program, or OAS, is determined based on how long you have lived in Canada over the age of 18, with a minimum of 10 years to be eligible. No contributions are needed. Legal residents in Canada with an income below a certain threshold will be eligible for the maximum benefit if they have lived in Canada for over 40 years. Benefits are reduced above a certain income threshold. Regardless of your employment status, you can start to receive OAS as early as age 65, or delay it for up to 5 years and receive an increased monthly payment.

Where can I find out how much my pension benefit will be at the normal age of retirement?

1. In your plan booklet
2. On the pension plan's website
3. By requesting information by email
4. On your annual statement

Answer: 4. On your annual statement.

Your pension benefit at age 67 is indicated on your annual statement. These statements are mailed to Plan members annually. Make sure your contact information with your Plan administrator office stays current to ensure you receive your annual statement.

What is the key benefit of starting to save for retirement now rather than later?

1. The earlier you start saving, the more money you will set aside to reach your goal
2. The earlier you start saving, the less money you will need to set aside in total to achieve your retirement savings goals
3. The earlier you start saving, less taxes you will have to pay
4. If you start saving later, it will be too late

Answer: 2. The earlier you start saving, the less money you will need to set aside in total to achieve your retirement savings goals.

It is never too late to start saving for retirement, but the earlier you do it, the better. This is because you'll earn interest on the money you placed in a savings account AND interest on previously earned interest. This means you will not need to set aside as much money in total to reach your goal.