



This Is A Retirement Income Guarantee

Description

A retirement income guarantee is:

We will give you \$x income per month, for life. Or it is –

We will give you \$x income per month, for life, indexed at y%.

We will pay you this until whatever age you live to without question. Regardless of market conditions, interest rates, inflation, deflation, Covid, war, famine, alien visitors or rapture, you will get your money.

If the company paying the money goes bankrupt, you are guaranteed, by a not-for-profit, industry wide association, funded, by law, by every life insurance company in Canada, and backed by the assets of those 63 companies, that you will get:

Up to \$2,000 a month in income or 85% of what you were promised, whichever is HIGHER. Every month, for the rest of your life.

That is a retirement income guarantee.

What a retirement income guarantee isn't:

You will get \$x per month for life as long as markets do what we expect and you don't live too long and we stay in business (as we aren't allowed to make life time guarantees) are kind of similar to 30 of the past 40 years. And assuming we don't have a sustained period of 'stagflation.' And, oh yeah, if we do go bankrupt – you are only entitled to up to \$100,000 of your money under our industry wide protection scheme.)

CATEGORY

1. Financial Planning
2. Wealth Creation & Economic Confidence

POST TAG

1. financial planning
2. investing
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4. retirement planning
5. risk
6. risk management
7. words matter

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Author

naoshad