How Much … ?

Retirement Seminars

2026-2027

RETIREMENT SEMINARS

Disclaimer

- This presentation is for informational purposes only. It does not constitute legal or professional advice. You are encouraged to consult with appropriate professionals if you have specific questions relating to any of the topics in this presentation.
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How much …

- … do I have now?
- … will I have in retirement?
- … do I spend now?
- … will I spend in retirement?
- … is enough?

Assumptions

- Member:
  - Is under age 60 when working and initially retired;
  - Is single;
  - Has no other sources of income;
  - Is resident in Nova Scotia; and
  - Only claims basic tax deductions.

How much … ?

… Do I Have Now?

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Salary (Top of Scale)

	ITC/TC5	ATC1/TC6	ATC2/TC7	ATC3/TC8
Salary	$90 865.00	$101 366.00	$107 650.00)	$113 619.00)
TPP	($10 527.99)	($11 882.61)	($12 693.25)	($13 463.25)
CPP	($4 646.45)	($4 646.45)	($4 646.45)	($4 646.45)
EI	($1 123.07)	($1 123.07)	($1 123.07)	($1 123.07)
LTD	($890.48)	($993.39)	($1 054.97	($1 113.47)
Dental Insurance*	($293.28)	($293.28)	($293.28)	($293.28)
NSTU	($925.00)	($925.00)	($925.00)	($925.00)
Income Tax	($17 769.21)	($21 168.92)	($23 203.36)	($25 143.11)
Take Home	**$54 689.53**	**$60 333.28**	**$63 710.62**	**$66 911.38**
Take Home (%)	**60%**	**60%**	**59%**	**59%**

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How much … ?

… Will I Have In Retirement?

Income Sources

- Teachers' Pension (TPP)
- Canada Pension (CPP)
- Old Age Security (OAS)
- Personal Savings
  - Registered Retirement Savings Plans (RRSP's)
    - Registered Retirement Income Funds (RRIF's)
  - Tax Free Savings Accounts (TFSA's)
  - Non-registered savings

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Initial Pension
(30 Years Pensionable Service)

	ITC/TC5	ATC1/TC6	ATC2/TC7	ATC3/TC8
Salary	$0.00	$0.00	$0.00	$0.00
TPP	$51 339.48	$57 272.64	$60 823.56	$64 195.68
CPP	$0.00	$0.00	$0.00	$0.00
EI	$0.00	$0.00	$0.00	$0.00
LTD	$0.00	$0.00	$0.00	$0.00
Dental Insurance*	($610.44)	($610.44)	($610.44)	($610.44)
NSTU/RTO	($48.00)	($48.00)	($48.00)	($48.00)
Income Tax	($9 218.28)	($10 935.93)	($12 113.46)	($13 346.79)
Take Home	**$41 462.76**	**$45 678.27**	**$48 051.66**	**$50 195.45**
Take Home (%)	**81%**	**80%**	**79%**	**78%**

Initial Pension
(35 Years Pensionable Service)

	ITC/TC5	ATC1/TC6	ATC2/TC7	ATC3/TC8
Salary	$0.00	$0.00	$0.00	$0.00
TPP	$59 896.06	$66 818.08	$70 960.82	$74 894.96
CPP	$0.00	$0.00	$0.00	$0.00
EI	$0.00	$0.00	$0.00	$0.00
LTD	$0.00	$0.00	$0.00	$0.00
Dental Insurance*	($610.44)	($610.44)	($610.44)	($610.44)
NSTU/RTO	($48.00)	($48.00)	($48.00)	($48.00)
Income Tax	($11 784.66)	($14 321.54)	($15 861.40)	($17 323.71)
Take Home	**$47 452.96**	**$51 838.10**	**$54 440.98**	**$56 912.81**
Take Home (%)	**79%**	**78%**	**77%**	**76%**

Canada Pension and Old Age Securitry

- Maximum CPP (2026) is $18,091.80.
  - Teachers do not typically receive maximum CPP.
  - Teachers typically receive greater than average CPP.
- Maximum OAS (July – September 2026) is $9,023.64.
  - If you have lived in Canada for a minimum of 40 years between the ages of 18 and 65, you receive the maximum.
  - For periods less than 40 years, the amount is pro-rated.
  - Increases at age 75 by 10% to $9,926.04.

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When Should I Begin to Collect CPP?

- That is **YOUR DECISION**.
- Should be part of an overall retirement financial plan.
- Do not take CPP at a particular age because you 'heard' that's what you should do.
- Consider:
  - When you need the additional income;
  - Inflation protection; and
  - Longevity.

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Taxation Savings

- Canada has a progressive income tax system.
- The income tax rate increases as you earn more.
  - Tax brackets are used where the tax rate increases from one bracket to the next.
- Upon retirement you typically earn less.
  - Income that is removed was taxed at the highest tax rate.
- As you age, new deductions become available.
- Pension income splitting may save tax.

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Pension Income Splitting

- TPP income **can** be split on the tax return.
- Higher income spouse declares that a portion of their Teachers' Pension income is transferred to their spouse.
  - Lower marginal tax rate results in less tax paid and the couple 'keeping' more of the pension income.
- CPP Income **cannot** be split on the tax return.
  - Both spouses must apply to ***share*** the CPP income.
  - Even split of eligible CPP income.

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Collecting CPP

Early (60 – 64)	Normal (65)	Deferred (65 – 70)
• Smaller monthly payment • Paid for a longer period	• Normal monthly payment • Paid for a shorter period	• Larger monthly payment • Paid for a shorter period

Example 1

30 Years of Service ATC1/TC6, CPP & OAS at age 65

	Retirement – Age 60	Age 60 – 65	Age 65 – 70	Age 70+
TPP – Lifetime	$42 972.35	$42 972.35	$42 972.35	$42 972.35
TPP – Bridge	$14 300.29	$14 300.29	$0.00	$0.00
CPP	$0.00	$0.00	$18 091.80	$18 091.80
OAS	$0.00	$0.00	$8 916.60	$8 916.60
Dental Insurance	($610.44)	($610.44)	($610.44)	($610.44)
NSTU/RTO	($48.00)	($48.00)	($48.00)	($48.00)
Pharmacare	$0.00	$0.00	($806.00)	($806.00)
Income Tax	($10 935.93)	($10 935.93)	($14 703.00)	($14 703.00)
Take Home	$45 678.27	$45 678.27	$53 813.31	$53 813.31

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Pre-Retirement Take Home: $60 333.28

Example 2

30 Years of Service ATC1/TC6, CPP at age 60, OAS at age 65

	Retirement – Age 60	Age 60 – 65	Age 65 – 70	Age 70+
TPP – Lifetime	$42 972.35	$42 972.35	$42 972.35	$42 972.35
TPP – Bridge	$14 300.29	$14 300.29	$0.00	$0.00
CPP	$0.00	$11 578.75	$11 578.75	$11 578.75
OAS	$0.00	$0.00	$8 916.60	$8 916.60
Dental Insurance	($610.44)	($610.44)	($610.44)	($610.44)
NSTU/RTO	($48.00)	($48.00)	($48.00)	($48.00)
Pharmacare	$0.00	$0.00	($806.00)	($806.00)
Income Tax	($10 935.93)	($15 078.00)	($12 063.00)	(12 063.00)
Take Home	$45 678.27	$53 114.95	$49 940.26	$49 940.26

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Pre-Retirement Take Home: $60 333.28

Example 3

30 Years of Service ATC1/TC6, CPP at age 65, OAS at age 70

	Retirement – Age 60	Age 60 – 65	Age 65 – 70	Age 70+
TPP – Lifetime	$42 972.35	$42 972.35	$42 972.35	$42 972.35
TPP – Bridge	$14 300.29	$14 300.29	$0.00	$0.00
CPP	$0.00	$0.00	$18 091.80	$18 091.80
OAS	$0.00	$0.00	$0.00	$12 126.58
Dental Insurance	($610.44)	($610.44)	($610.44)	($610.44)
NSTU/RTO	($48.00)	($48.00)	($48.00)	($48.00)
Pharmacare	$0.00	$0.00	($806.00)	($806.00)
Income Tax	($10 935.93)	($10 935.93)	($11 103.00)	($15 963.00)
Take Home	$45 678.27	$45 678.27	$48 496.71	$55 763.29

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Pre-Retirement Take Home: $60 333.28

Example 4

30 Years of Service ATC1/TC6, CPP & OAS at age 70

	Retirement – Age 60	Age 60 – 65	Age 65 – 70	Age 70+
TPP – Lifetime	$42 972.35	$42 972.35	$42 972.35	$42 972.35
TPP – Bridge	$14 300.29	$14 300.29	$0.00	$0.00
CPP	$0.00	$0.00	$0.00	$25 690.36
OAS	$0.00	$0.00	$0.00	$12 126.58
Dental Insurance	($610.44)	($610.44)	($610.44)	($610.44)
NSTU/RTO	($48.00)	($48.00)	($48.00)	($48.00)
Pharmacare	$0.00	$0.00	($806.00)	($806.00)
Income Tax	($10 935.93)	($10 935.93)	($5 126.00)	($18 947.00)
Take Home	$45 678.27	$45 678.27	$36 381.91	$60 377.85

Pre-Retirement Take Home: $60 333.28

How much … ?

… Do I Spend Now?

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What Do You Spend Money on Now?

- Rent/Mortgage
- Utilities
  - Power
  - Heat
  - Water
  - Phone/Cable/Internet
- Transportation
- Childcare
- Gifts/Donations
- Insurance
  - Car
  - Home/Tenants
  - Travel
- Medical
- Home maintenance
- Travel
- Clothing
- Entertainment

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Track It!

- Track your expenditures for a month and extrapolate.
- Think about regular expenses.
  - Weekly;
  - Bi-weekly;
  - Monthly;
  - Quarterly;
  - Semi-annually.

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How much … ?

… Will I Spend in Retirement?

Changes

No more:

- TPP Deductions
- CPP Deductions
- EI Deductions
- LTD Deductions
- NSTU Deductions
- Working Expenses

New:

- Dental – 100% instead of 35%
- Pharmacare at 65
- Retiree Life – 100% instead of 0%
- Pension tax credit (up to $2000)
- Age deduction (at 65)
- RTO Membership

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What Else Changes?

- Housing costs?
- Dependents?
- Travel costs? (Vacation, Commuting)
- Entertainment costs?
- Food costs?
- Debt management costs?
- Savings costs?

Budgeting

- Work on a comprehensive budget taking into account your expected expenses in retirement.

How much … ?

… is Enough?

Change in Focus

- Retirement planners have followed a general rule that a gross retirement income of 70% of gross pre-retirement income would provide a comparable standard of living.
- There is no empirical basis for this rule.

It's Really Quite Simple …

- You need
  - Enough money to be able to fund the lifestyle you wish to live in retirement; and
  - Enough money available for unexpected non-routine expenses.
- Shift from gross income to net income (what is available to spend).
- The amount will vary for different individuals.
- The amount may vary from year to year.

Living Standards Replacement Rate

- Bonnie-Jean MacDonald (FSA, PhD) advocates for the use of the Living Standards Replacement Rate.

$$LSRR = \frac{Retirement\ Money\ to\ Spend}{Working\ Life\ Money\ to\ Spend}$$

- The LSRR is based on net income.

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So What Should my LSRR be?

- There is no set answer to what this percentage will be for any individual.
- 100% would mean you have the same amount of money available to spend.
- But do you need 100%?
  - Do you need less?
  - Do you need more?

In general, if your LSRR is:

<64%	65-84%	85-100%	>100%
You will experience a significance drop in your lifestyle	You will have to adjust to a more modest lifestyle	Your lifestyle will be similar to what it is today	You will enjoy a better lifestyle in retirement

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But it Depends …

- What expenses do you have while working that will not exist when retired?
  - Particularly:
    - Debt servicing
    - Retirement savings
- What new expenses will you have when you are retired?

Consider These 2 Teachers

Teacher A
- Age 40
- Married
- Three Children
- $100 000 Earnings

Teacher B
- Age 40
- Married
- No Children
- $100 000 Earnings

Conventional 70% Replacement Rate = $70 000

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Consider These 2 Teachers

Teacher A

- Spouse is a stay-at-home parent.
  - $0 spousal earnings
- Kids will leave home at retirement
- Mortgage will be paid off at retirement

Teacher B

- Spouse is a successful professional
  - $150 000 spousal earnings
  - No pension plan
- Currently living beyond means with a large line of credit and significant credit card debt

Consider These 2 Teachers

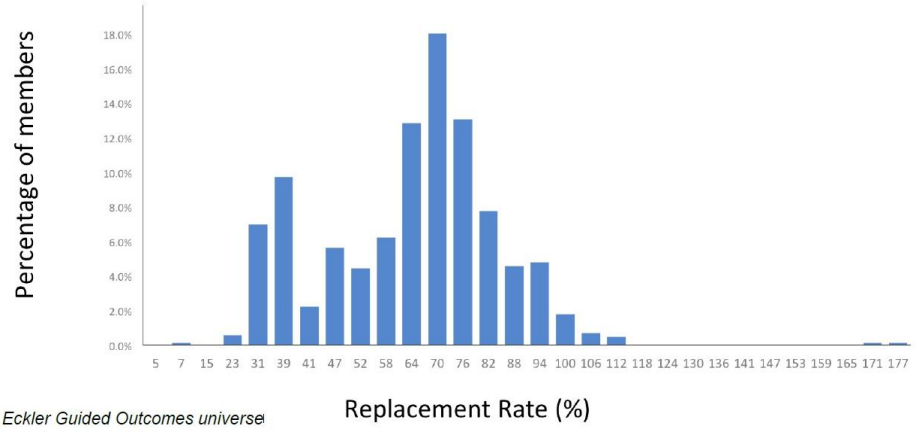
Teacher A

- A significant portion of Teacher A's salary has been used to pay the mortgage and support 3 children and their activities.
- Teacher A has never had the use of significant portion of their salary.
- Teacher A can likely maintain their current standard of living with a lower replacement rate.

Teacher B

- Teacher B will carry a significant debt load into retirement and will need income to support this debt load.
- Teacher B is not supporting their current standard of living with their current income.
- Teacher B will likely need a higher replacement rate to support their current standard of living.

120,000 Canadian Workers
Conventional Replacement Rate Needed



Source: Eckler Guided Outcomes universe

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"Typical" Plan Member

- Has between 30 and 35 years of pensionable service.
- May have some other sources of income but TPP/CPP/OAS will be the main sources of income in retirement.
- Wants to keep a similar standard of living so will need a similar amount of disposable income.

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Comparison
(30 Years Pensionable Service)

	ITC/TC5	ATC1/TC6	ATC2/TC7	ATC3/TC8
Working Take Home	$54 689.53	$60 333.28	$63 710.62	$66 911.38
Pension Take Home	$41 462.76	$45 678.27	$48 051.66	$50 190.45
Difference	$13 226.77	$14 655.01	$15 658.95	$16 720.93
Monthly Difference	$1 102.33	$1 221.25	$1 304.91	$1 393.41
Bi-Weekly Difference	$508.72	$563.65	$602.27	$643.11
Replacement Rate	76%	76%	75%	75%

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Comparison
(35 Years Pensionable Service)

	ITC/TC5	ATC1/TC6	ATC2/TC7	ATC3/TC8
Working Take Home	$54 689.53	$60 333.28	$63 710.62	$66 911.38
Pension Take Home	$47 452.96	$51 838.10	$54 440.98	$56 912.81
Difference	$7 236.77	$8 495.18	$9 269.63	$9 998.57
Monthly Difference	$603.05	$707.93	$772.47	$833.21
Bi-Weekly Difference	$278.33	$372.87	$356.52	$384.56
Replacement Rate	87%	86%	85%	85%

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Questions?

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