

REGISTERED RETIREMENT SAVINGS PLAN – ENJOY THE RETIREMENT YOU DESERVE

The Registered Retirement Savings Plan (RRSP) was introduced by the Barbados Government in 1998 as a way of encouraging Barbadians to save for their retirement. As an incentive, the Government allowed persons investing in the plan the opportunity to enjoy certain tax benefits.

Key features of the plan are:

- Individuals can contribute any amount to their RRSP.
- Contributions are allowed up to the end of the year in which the individual becomes 65 years old.
- Contributions of 15% of assessable income, up to a maximum of \$4,000 per year, are tax-free and can be deducted from taxable earnings.
- Interest paid on the RRSP is not subject to income tax at the time the interest is earned.
- The plan-owner is allowed to withdraw 10% of the purchase price of a first home, up to \$25,000, from the RRSP tax-free.
- Withdrawals can be made at or after 55 years of age, the first 25% of which is tax-free while the remainder is taxed at the marginal rate.



HOW THE SAGICOR RRSP BENEFITS YOU

COMPETITIVE, GUARANTEED INTEREST RATE

The interest rate offered by the **Sagicor RRSP** is competitive and guaranteed for five years initially. The interest renews every five years and is guaranteed for a further five years on renewal.

LIFETIME RETIREMENT INCOME GUARANTEE

On maturity, Sagicor guarantees an income for life. At your choice, we will also guarantee to pay an income under this plan for a minimum period of 5, 10 or 15 years (from the time payments begin), if you are no longer alive.

TOTAL DISABILITY OPTION

In the unfortunate event that you become totally disabled, Sagicor will continue to pay your regular contributions to the plan to ensure your retirement income.

TAX BENEFIT

According to current tax rules, you can claim up to \$4,000 per annum off your assessable income.

TAX FREE ACCUMULATION

In addition to the tax benefit, interest paid on the money you invest in the RRSP is not subject to tax. This makes your money grow faster.

WITHDRAWAL FOR A FIRST HOME

The opportunity to withdraw money for the purchase of a first home makes the RRSP an excellent investment vehicle for you, if you wish to save for the down-payment on your home.

HOW THE SAGICOR RRSP WORKS

Sagicor's RRSP product is what is known as a Flexible Premium Deferred Annuity. The main feature of these types of plans is to allow you to save for your retirement in a tax-deferred product. This means that the funds you accumulate in this product are not taxable and your investment can grow at a faster rate.

The plan has a flexible premium schedule, allowing regular contributions and lump sum deposits, subject to plan minimums. The **Sagicor RRSP** is available to persons from age 15 to age 65.

Under the **Sagicor RRSP**, the premiums you pay are deposited into a fund, called the Accumulated Fund, from which expense charges are deducted. Interest is then applied to this fund. Under this plan option, the interest rate credited is guaranteed for 5 years and renewable for further 5 year periods.

Under normal circumstances, you are not allowed to withdraw funds from the plan until you have reached age 55. Annuitisation, namely the use of the accumulated fund to purchase a retirement income, is permitted at anytime after this age.

A PLAN THAT PROVIDES SECURITY FOR A LIFETIME

The main purpose of a retirement policy such as the **Sagicor RRSP** is to provide you with a lifetime retirement income, to ensure that you do not outlive your financial resources. This product is well-suited to self-employed persons and to individuals wanting to supplement their retirement income from their employer or the National Insurance Scheme.

The RRSP is a flexible premium deferred annuity, the type of product that Sagicor has offered successfully for much of its history.

When combined with Sagicor's other insurance products, the RRSP can be used in a tax-efficient plan to transfer the value of your estate to your children or heirs. It can also be used to create a retirement fund for your spouse and your dependants.