



RETIREMENT COMPENSATION FUNDING

FOR IMMEDIATE RELEASE

## **RCF** Announces **PENSIONPlus GIF™** (Guaranteed Investment Funding)

Toronto, April 22, 2008 – Retirement Compensation Funding Inc (**RCF**) announces a sister product to **RCF**'s **PENSIONPlus™** – Insurance Funding for Retirement Compensation Arrangements (RCAs). Both are integrated with the RCA Refundable Tax Account (RTA) providing an orderly flow of refunds and benefits.

**RCF**'s **PENSIONPlus™** is a special configuration of a Universal Life product in an RCA utilizing the “exempt” taxation provisions under income tax regulation 306, designed to provide unreduced Survivor Benefits at the same cost of funding Primary Benefits. Funding assumptions are projected at 5.5% (net of MERs).

**RCF**'s **PENSIONPlus GIF™** assumes funding for both Primary and Survivor benefits but, reduces the allocation for Survivor benefits and, lowers the performance target for primary benefits. Primary benefits are split between a Guaranteed and a Variable pool of assets. The guarantee is 4% and the net performance objective on the variable pool is also 4%. Any excess performance reduces funding costs. The variable pool is invested in Segregated Funds; Mutual Funds or Portfolio Managed.

Both **PENSIONPlus™** and **PENSIONPlus GIF™** require an insured life. With **PENSIONPlus™**, this can be the Plan member, the Survivor or a substitute life. With **PENSIONPlus GIF™**, the Plan member is used.

The target markets for **RCF**'s **PENSIONPlus GIF™** are:

- (1) Business owners earning over the small business limit (currently \$400k) concerned with their retirement income. The guarantees and the lower performance target on the variable pool will provide greater security of benefits. Contributions are 100% tax deductible to the Corporation and, there is no tax to the owner until benefits commence in retirement.
- (2) Employees in Group RCAs. The investment risk to Plan Member is reduced with earnings over 4% and excess mortality benefits mitigating the cost of funding to Plan Sponsor.
- (3) Executives in Public corporations with “Pension Shortfall” funding secured by an RCA as part of their retirement package. The guarantees will provide greater security.

Financial Advisors now have two funding options from **RCF** for RCAs:

- (1) **PENSIONPlus™** where all RCA Investment Account assets are held in the “exempt” insurance contract and;
- (2) **PENSIONPlus GIF™** where the Survivor and fixed income funding (to CRA limits) are held in the “exempt” insurance contract and the variable pool is “on book” in Segregated Funds; Mutual Funds or Portfolio managed.

Annual Trustee fees for **PENSIONPlus™** are \$1,000 and \$1,500 for **PENSIONPlus GIF™** using segregated funds in the Variable Pool. For larger RCAs where the Variable Pool is funded with mutual funds and/or portfolio managed assets, the annual trustee fee starts at \$4,000. All RCA Trust Services are provided by **BMO Trust Company** at a specially reduced rate only available through **RCF**.

For more information and a comparison between **RCF**'s **PENSIONPlus™** and **RCF**'s **PENSIONPlus GIF™** visit our Web at [www.rcf.ca](http://www.rcf.ca).

*Supplemental & Pension Shortfall Funding*

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